THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and Its Intercourse with Other Nations

Have the Missionaries Been Converted?

The Vicious Barbed Wire Circle We Are In!

The Question of the Revision of Treaties With China

America Buys More From China Than It Sells

By Geo. W. Missemer

Exit the Military Phase—Enter the Political Phase!

By J. B. P.

許勃密論評

SATURDAY, APRIL 9, 1927

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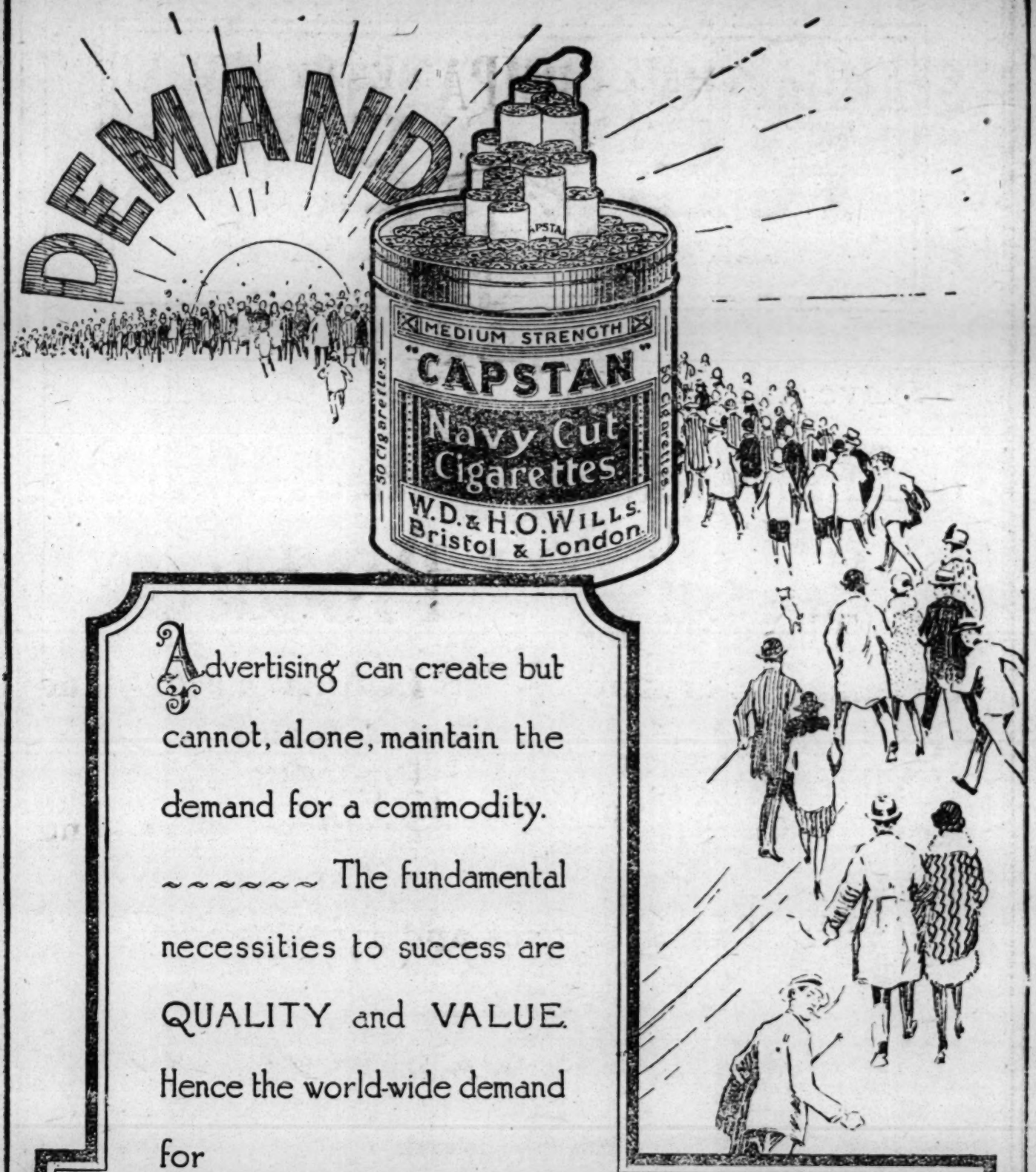

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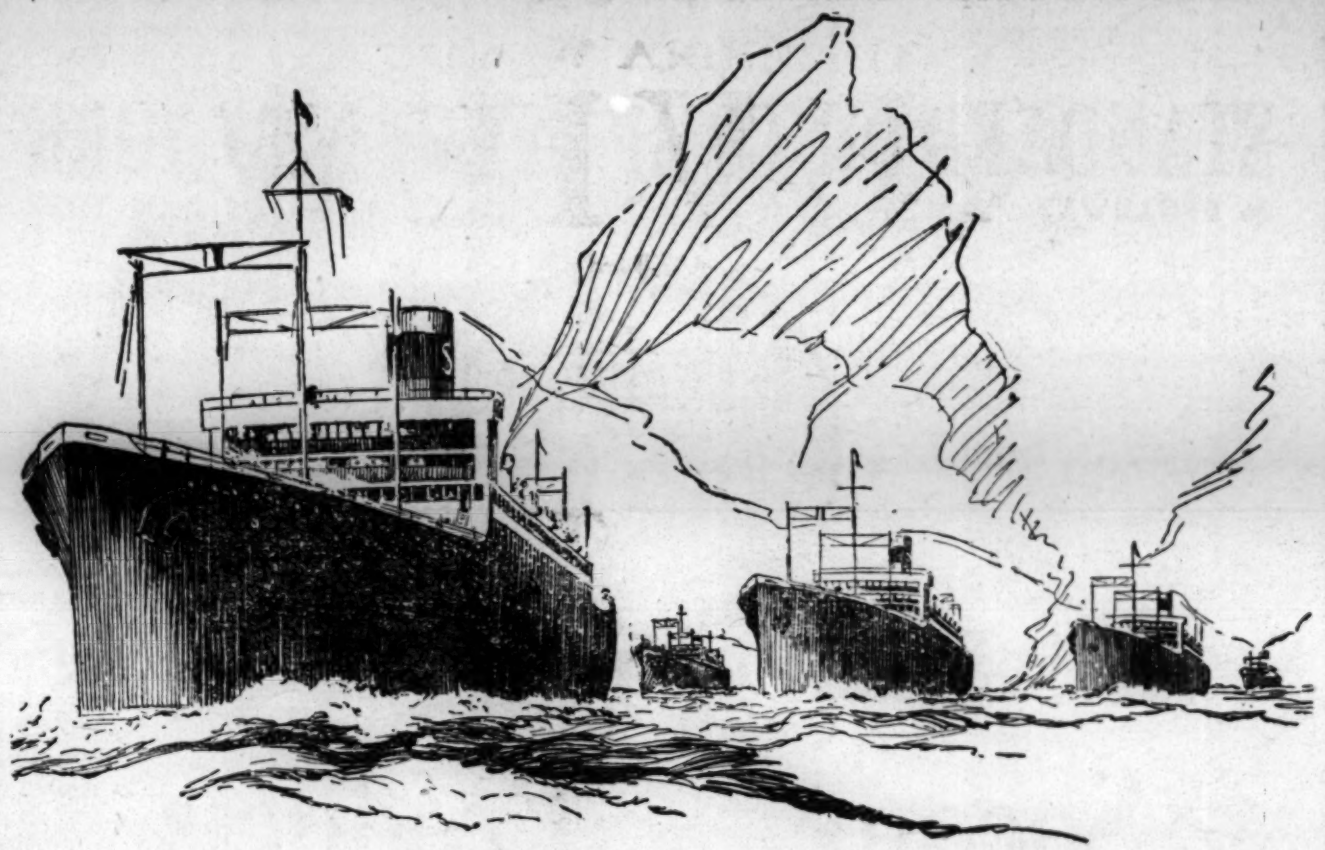

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THE VICIOUS BARBED-WIRE CIRCLE WE ARE IN!

THE most prominent outward manifestations of Sino-foreign relations in Shanghai today are barbed-wire fences and entanglements and sand-bag barricades and every time anybody hears a fresh rumor about some alleged Chinese aggression, the Settlement authorities put up some more barbed wire and within no time there are British soldiers on the job with machine guns and rifles all ready to repel the rumored invaders. After being forced to walk around several miles of barbed-wire entanglements on the way to our office several times a day we are inclined to sympathise with the Chinese boy who was arrested a few days ago for attempting to chop one of the wires in two. When questioned in court as to his reasons for this 'aggressive' action the boy replied, "The wicked wire tore my gown." If the present 'barbed-wire' hysteria continues much longer we would not be surprised to wake up some morning to find that our diligent and energetic Municipal Government had constructed a canopy of barbed-wire overhead in order to keep out the rays of the sun on the grounds that our chief Heavenly body was suspected of spreading 'red' propaganda. A few days ago a number of foreign newspaper correspondents interviewed Gen. Chiang Kai-shek, commander-in-chief of the Nationalist Armies, and in the course of the interview Gen. Chiang declared that the existing martial law in the Settlements, plus the numerous defense measures visible on every hand, were exciting the feelings of the Chinese people and causing the tension between Chinese and foreigners to become rapidly worse. Continuing further along this line Gen. Chiang stated his opinion that the defense measures here were those "usually used by empire-builders toward colonials and were not the usual treatment accorded by one equal toward another and that the barbed-wire and sand-bag barricades here at Shanghai would be fitting measures to take against savages or semi-civilized peoples in your own colonies."

MANY OF OUR local 'die-hard' foreign residents, upon reading the foregoing declaration by Gen. Chiang would probably come back and say that Gen. Chiang was exactly correct, or in other words would declare that the Chinese in their present state of excitement were little above 'savages or semi-civilized peoples,' hence it was necessary for the foreigners to defend themselves to the best of their abilities. And when one talks to some of the officials and missionaries who went through the Nanking incidents, there certainly are grounds for the feeling that the Chinese who perpetrated that affair *were uncivilized* regardless of which side they were on,

However, this doesn't get us anywhere in the direction of a settlement of the present trouble which is rapidly becoming intolerable, particularly here at Shanghai. Before the present trouble started the foreign population at Shanghai was estimated at 40,000, of which number about 20,000 were Japanese and 20,000 Europeans and Americans. Many refugees have come into Shanghai from the outside and many persons have departed, but we assume the foreign population here is still about 40,000. Now, the British Government has announced that the foreign troops which have been sent here are purely for the protection of British lives, which, if true means that the British are well protected for there are at least two soldiers in Shanghai for every Briton, counting men, women and children. And if the reports regarding further troop movements are correct, the same probably will shortly apply to the Americans, Japanese, French and other nationalities. Shanghai is a veritable military camp and a riot of barbed-wire barricades and fortifications with machine guns and rifles sticking around every corner and a few howitzers thrown in for good or bad measure. Gen. Chiang Kai-shek and all of the other officials of the Nationalist Government apparently are sincere in their statements that force is not to be used against the Settlements, for good reason, but on the other hand the aggressive actions of the foreigners is making it increasingly difficult for any Chinese to preserve order because the foreign martial law and defense measures constitute a constant incentive to violence. As Gen. Chiang recently stated, he is being constantly pressed by the Chinese laboring classes to do something to protect them against the aggression of the foreigners and the interference which the foreign defense measures give the Chinese who really wish to resume work and attend to business. Therefore, one wonders where it is to end, for we find ourselves within a vicious circle of barbed-wire with no openings for compromise. The Shanghai Municipal Council, which is the real 'nigger in the woodpile' and the cause of most of the past trouble from the standpoint of Chinese-foreign relations, owing to the Council's past policy of opposition to a compromise or conciliatory policy, is an irresponsible body, that is, from the standpoint of the Powers. But regardless of the irresponsible nature of the Shanghai Municipal Council, it has involved the Powers, otherwise Great Britain, the United States, Japan, France and the rest of the nations in a very serious situation, the end of which may be anything, even a world war costing thousands of lives and millions of treasure. The answer to the problem would seem to be in the direction recently suggested by one of the London newspapers, which was to the effect that the time has practically arrived for the Powers to intervene and dissolve the Municipal Council and take matters here into their own hands, otherwise the present situation will continue until everybody has either been killed or has gone broke and departed for other fields.

HAVE THE MISSIONARIES BEEN CONVERTED?

IN CONNECTION with the evacuation of missionaries from the interior the question frequently arises whether the missionaries "flee" from their posts or whether they merely obey the behests of the Consular authorities to abandon their work because of the danger. In some cases one imagines that the desire on the part of the missonaries, because of the adverse conditions, coincides with the instructions received from the Consular authorities. A delicate point arises once in a while, however, where an enthusiastic missionary, burning with zeal for his work, is quite reconciled to taking the risk involved, even unto death. Such a man may feel that nothing could be better for the cause in which he works than that he should die a martyr, and this, in case it comes to it, he is willing to be. And conversely he feels that by sticking to his post he will show such an example to his flock and to the community in which he is working that the Cause in which he is working will be greatly advanced. When such a situation arises what are the Consular officials to do? If such a zealous worker is the cause of an outrage the whole situation is made worse than before. Such an incident occurred during the Revolution in 1911. Two Australian women missionaries in Changsha decided that they would not obey the British Consul's request to leave their posts. The eventual result when they absolutely refused, was that the Consul sent a guard to the mission with two sedan chairs and the two women were forcibly put into the chairs, bound with thongs and brought to the Consulate through the city, amidst a jeering crowd of Chinese. They were charged in the British Court in Shanghai. The Crown Advocate quoted from St. Paul: "The powers that be are ordained of God," and argued that the missionary women were disobeying their own textbook. The Judge ordered them to be deported to Australia.

EVERY SHIP across the Pacific during the past week has been crowded with passengers returning to the United States. Missionaries by the thousands are leaving China owing to the practical impossibility of carrying on their work in China. They originally came from all parts of the United States and it is a foregone conclusion that when they return to their respective homes they will arouse among Americans an interest not only in the subject of mission work in China, but concerning China generally, to an extent that has never been known before. Inevitably the opinions voiced by the missionaries will find their reflex in America's political attitude towards China, as in the United States the collective voice of the various religious societies is heard in administrative and legislative circles in Washington in no uncertain terms. Naturally the American public will be interested in knowing what the missionaries think of a proposal to abolish extraterritoriality generally in China, now or in the not distant future. On this subject enquiry among the missionaries here elicits a number of opinons. To use the phrase of one man connected with the American Church Mission at Wuhu, "The missionaries at Nanking have been converted."

IT IS stated that seeveral weeks before the Nanking incident occurred over a hundred missionaries in that district had signed a petition to the American authorities asking them to withdraw the naval craft. Not a few of them had occasion to change their minds as a result of the experiences they have since undergone. However, there is an influential element in missionary work which views the subject on broad, general lines. Warships are quite all right in an emergency to protect the lives of citizens, whether they are missionaries or follow some other calling. But it has to be realized that the appeal that Christianity has to make must be to the hearts, the minds and consciences of mankind. regardless of the colors of thir skins, and that it will be impossible to make any progress among them by shooting them. It would seem that missionaries, even more than business men, in the interior have

been made objects of invective by the more radica Chinese. These radical Chinese rather resent the fact that missionaries have been given special privileges in the country. They also resent some of the Christian teachings, for it is the very essence of the missionary teaching that the Chinese religions and superstitions are bad and that what is being offered is something superior. This hurts the Chinese *amour propre*. Then, naturally, the setting up of a body of Chinese, even though small in numbers, in the midst of their own people, who have been converted to views diametrically opposed to those of the native majority, inevitably has in it the seeds of trouble.

SHANGHAI AREAS SHOULD BE UNIFIED

THE BIGGEST problem in China to-day is the future status of Shanghai. This overshadows even the subject of extraterritoriality, or the fixing of an import tariff rate, or any other of the subjects in dispute. While foreign action regarding the tariff rate lags, the Chinese have gone ahead and settled the matter by imposing the surtaxes. Extraterritoriality is in force in theory in China to-day but in the very places where it ought to be helpful, namely in the interior of the country, it is proving valueless at the present time as a protection of those foreigners whom it is supposed to protect. And be it noted the subject of extraterritoriality will gradually settle itself anyhow. There was a great deal of froth at the time of the denouncing of the Belgian treaty, but the net result is that the Belgians have gracefully acquiesced in the almost inevitable. It is not probable that the Japanese will at this juncture agree to the abolition of extraterritoriality for their subjects, but the point to be noted is that the Chinese and Japanese are working away right now on the problem of a new treaty and the Japanese on the whole are showing a tendency to be as conciliatory to the Chinese as they possibly can, or dare, be.

SHANGHAI is the big problem because of the enormous wealth that is concentrated here. This wealth belongs to many different nationalities, but the fact must not be lost sight of that the Chinese investments here overshadow those of any other nationality, even the British, who have a greater stake here than any other foreign Power, although the Japanese undoubtedly are becoming close rivals. Even though conditions were normal, even though there were assurance that no mobs would start to burn and destroy, even though every foreign armed unit was to depart, still things ought not to go on here in Shanghai as they did before. What a mixed-up mess it is! The International Settlement is nominally administered by foreigners, but in the last analysis their control can be undermined or thwarted by the magistrates of the Provisional Court, that is if they chose to do so. It is not here suggested that they do or attempt to do anything of the sort. By running several hundred yards a fleeing criminal can traverse three jurisdictions, that is leave the Chinese city, cross the French Concession and come into the International Settlement—or *vice versa*. The most numerous, and incidentally the poorest, of western nationalities represented in Shanghai, namely the Russian, is subject to Chinese law. Some dozen nationalities are subject to the laws of their respective countries. The Municipality owns roads running out like spokes of a wheel into various parts of Chinese territory, and in theory at least a Chinese minion of the law may not cross these roads. Unless these roads were in existence thousands of foreigners would practically find it impossible to secure suitable homes, as the International Settlement, originally set apart for foreigners, is now so full of Chinese that foreigners can hardly get breathing space. When the Council wants to build more of these roads into Chinese territory they have to resort to methods which are little short of subterfuge. The things here mentioned are but a small part of the various components of the mess. The problem before the world—yes, before the world; Shanghai has become a world problem—is what to do to insure that Shanghai will have a better government than it has had in the past and a happier existence than it enjoys at present. Obviously, the first thing to do is to consolidate the various sections that now are each called "Shanghai" under one control, somewhat in the same way as the matter was handled in New York or in London—in other words a Greater Shanghai.

JUSTICE, NOT BULLETS, WILL PACIFY CHINA

PROBABLY as helpful an editorial as is to be found anywhere is that reproduced in another column from *"Collier's Weekly."* The kernel of it is contained in the sentences: "China can be pacified when China gets justice. Gunboats and marines are necessary enough to safeguard life in a grave emergency, but we cannot rely forever on force." The situation in China to-day is somewhat similar to what it was at the time of the Taiping rebellion. It is a very greatly changed China to-day compared with the days of the Taipings, but the change is not nearly so great as it would have been if the foreign Powers would have allowed the Taiping rebellion to run its course. Progress in China was set back, probably half a century, by the suppression of the Taipings, and whatever is done by foreign governments in China it should always be the aim not to repeat the mistake, even in theory, that was committed then. Viewed from every point, whether from the point of missionary work, or business, or the peace of the world, the best interests all round will be served by having a progressive, a prosperous and a pacified China.

AS INEVITABLY happens in all progressive movements, the general cause of liberty and progress in China is harmed by radical and unruly elements. Just to take the Nanking affair. Nothing that has occurred in recent years, neither the attacks by bandits, nor the assault on Hankow, has so injured China's case as has the assault on the civil population during the recent Nanking incident. You can take whatever view you like of the matter, whether the attack was a deliberately planned affair, or whether borrowed Nationalist uniforms were used by the perpetrators of the outrages, the fact remains that the Nationalists as a body will be blamed for it because the incident coincided with their taking over of the city. The foreign world generally argues like this: "Before the Nationalists came things were quiet; this rumpus occurred just after they came; of course they are responsible for it." However, the mere fact that Nanking was shelled in order to protect the inhabitants, or that Shanghai is surrounded by barbed wire and is being defended by many thousands of sailors, soldiers and marines of many different nationalities, does not alter the fact that the outstanding problems between the progressive forces in China and the Powers enjoying special privileges in China will have to be settled eventually by other than military means.

EUGENE CHEN'S VERSION OF THE NANKING INCIDENT

EUGENE CHEN, Minister of Foreign Affairs of the Nationalist Government at Hankow, issued the following statement regarding responsibility for the Nanking incidents, on Saturday, March 2:

"The commission of inquiry investigating late events at Nanking has sent in a preliminary report establishing the outstanding fact that the disorders there were the work of reactionary and counter revolutionary elements who during the confused conditions following the defeat of the northern rebels and their white Russian mercenaries instigated the rebel remnants (many of whom wore uniforms taken from Nationalist soldiers who previously had been captured) and local ruffians to attack and loot foreigners in the city.

"The British, American and Japanese consulates were attacked and a few foreign lives unfortunately lost and some foreign property looted before order could be fully restored by the Nationalist forces under General Ching Chien, who entered Nanking March 24 at 5.30 pm. The latter ordered the execution of a number of those who had attacked and looted foreigners. From four to six foreigners are reported killed and about six wounded during these disturbances.

"On the other hand an estimate (which is under verification) places the Chinese casuaities as a result of the British-American naval bombardment at the rate of over one hundred killed and wounded for every single foreign casualty.

"While the Nationalist Government have to denounce the attack on the British and other consulates at Nanking, and to express deep regret for foreign lives lost and the wounding of the British Consul General and other foreigners, they have strongly to protest against the bombardment of Nanking with its large civilian population by British and American gunboats."

WASHINGTON'S REACTIONS ON THE CHINA SITUATION

THE FOLLOWING messages from Washington, D. C., received by *The Review* from its Washington Correspondent on March 31, April 2 and April 5, tend to give some idea of the trend of opinion in the American capital in reference to the China situation. The dispatches are reprinted in chronological order:

What To Do About the Nanking Incidents

Washington, March 31—Upon receipt of information from the American Minister in Peking, Mr. MacMurray, Mr. John K. Davis, Consul in Nanking and Mr. C. E. Gauss, Consul-General at Shanghai, regarding responsibility for the Nanking incidents, it is reported that the Administration is considering the matter of making demands Just what form the demands may take is not known, but it is reported that the United States may ask the Cantonese authorities to provide guarantees respecting safety of American lives and properties in territories under their control.

It is also reported that the Administration may demand redress in the form of indemnities for those killed and injured and for American property destroyed by the mobs and soldiers. However, the Government is silent on this point.

Marine contingents throughout the country are being held in readiness for dispatch to China in case their services may be needed by Admiral Williams. The Marine Regiment now collecting at San Diego will probably sail for Shanghai on March 6 and will also include a contingent of airplanes of latest pattern.

Additional U. S. Marine Forces Being Sent

Washington, April 2—The American Marine force now in China and being concentrated at available ports in the United States for service in China, numbers approximately 9,000, according to official announcement of the Navy Department today. One regiment numbering approximately 1,500 officers and men now at San Diego, Cal., will sail for Shanghai on April 6 aboard the transport Henderson and according to orders issued today another Marine Regiment will be concentrated immediately at San Diego, also for China service.

The new Marine contingent will be commanded by Col. H. C. Davis of Norfolk, Va.

Secretary Kellogg in a statement to newspaper correspondents today re-emphasized the Administration's China policy which is to protect American citizens as far as possible. Secretary Kellogg also stated that there is no present intention of evacuating American citizens from Shanghai.

In reply to a question pertaining to cooperation with other foreign forces in China, Secretary Kellogg declared that the policy of cooperation with other foreign forces in China would be continued when they were faced with common or joint problems, but there was no hint or suggestion of unified political action in respect to China.

The protection of American citizens as distinguished from participation in the Chinese struggle remains the cardinal point of American policy toward China.

There was no suggestion that American Marine forces might be sent to other Chinese ports, particularly North China in case trouble develops in that area, but the possibility exists that such action may be taken if the necessity exists.

U. S. Public Not Greatly Aroused Over Nanking Affair

Washington, April 5—The Administration continues to maintain complete silence regarding the reported interchange of conversations between Washington, Tokyo, London and Paris relative to possible joint action regarding the Nanking incidents.

The American public is not greatly aroused over the situation despite the fact that the newspapers have been giving much space to the Nanking events, particularly the stories of the Nanking affair.

Some of the American newspers suggest that Nanking may be another Sarajevo, meaning thereby that the Nanking events might will set in motion a chain of events leading to another World War.

The Japanese action in firing on the Chinese mobs at Hankow has awakened keen interest in the attitude of the Nippon Government in respect to the China situation.

Shanghai Taxes To Be Increased

Barbed wire entanglements, military supplies, and a highly organized police force cost money—a fact of which one is strongly reminded by the proposal of the Shanghai Municipal Council, to be made at the meeting of the Ratepayers to be assembled April 13, that starting from July 1 the general municipal rate should be advanced from the fourteen per cent (at which it has stood for quite a number of years) to sixteen per cent. The land tax is to be advanced in a similar ratio. It should be explained for the benefit of readers in the United States that in Shanghai the English system of taxation is in force, that is, the heaviest burden of taxation falls upon the tenant, and not upon the owner of the land. The sixteen per cent above mention means 16 per cent tax to be paid on the amount of rent which the tenant pays. It is a system which is the direct antithesis of the Henry George proposal that *all* taxes should be raised from the land. Whether in the end there is any real difference as to whether the tenant pays the tax direct or that the owner should pay it first and then add it to the rent which the tenant pays opens up too big a subject to be discussed here. There is just one point, however, to be noted. Under the American system a house pays tax whe ther it is occupied by a tenant or not; not so in Shanghai.

Owing to the general apathy of Shanghai Ratepayers, the annual meetings are usually sparsely attended. The attendance this year will probably be better than usual, owing to the fact that there is a proposal to increase the taxes. There will naturally be a considerable number of ratepayers who will oppose such a move on general principles, and most of them are among the class who under ordinary circumstances do not take sufficient interest in Municipal matters to attend the annual meetings. For quite a number of years it has been impossible in Shanghai to get a two-thirds quorum for a special meeting, and at annual meetings there is usually only a bare quorum at the start. Under the rules applied at Ratepayers meetings, once a quorum is present to start a meeting it is assumed that a quorum is present for the balance of the meeting. If this were not the case the meetings would have to come to an end after about half the business is transacted, as it is the custom of a large number present to leave before the end of the agenda is reached. This state of affairs makes it very easy for any small group of supporters who have a measure that they wish to put through to have their way, by the simple plan of having their resolution come towards the end of the meeting. By that time the majority of Ratepayers who under ordinary circumstances might have opposed the proposition will have left the room. The handful of supporters can then carry their proposition by a majority of those present, even though the number of supporters of the measure is but a small fraction of the entire body of Ratepayers.

Foreign Interests in China

The following information is collated from the Foreign Policy Association's (New York) Information Service.

IMPORTANT developments affecting the basis of China's relations with foreign powers have followed the rise of the southern Nationalist government of China and the attack of the southern armies, led by Marshal Chang Kai-shek, on Shanghai, the principal center of foreign interests in China. During recent weeks, each of the Powers with important interests in the Far East has redefined its policies and made new pronouncements significant of the changed status of the Chinese situation.

Some observers hold that the present disturbances in China are primarily the result of the impact of western civilization on the ancient civilization of China, a civilization which had its well defined beginnings more than 5,000 years ago. The Chinese have had contacts with the West from the early years of the Roman Empire, but it was not until the end of the eighteenth and the beginning of the nineteenth centuries that continuous and increasingly close contacts were established between China and the nations of the West. As a result of the development of steamships, railways, cables, and other means of communication, the barriers between the East and the West have been so much reduced in recent decades that new ideas, new ways of doing things, new points of view, have been pouring into China from the West. The result has been a shake-up in China, which has seriously affected the old standards of living and has done much to force the Chinese people out of their traditional ways of living and thinking.

A recent issue of the *Information Service* reviewed in general terms the present internal situation in China and the factors contributing to the civil war. This report deals briefly with the more important aspects of western contacts with China as they relate particularly to the present situation in that country.

Four questions are frequently raised in connection with the position of foreigners in China:

1. What interests have foreigners acquired in China, in the commercial and in the missionary and cultural fields?

2. On what treaty or other basis do foreigners live and carry on their occupations in China?

3. What has been the Chinese reaction to these treaties and the creation of foreign interests?

4. What policy have the foreign Powers adopted in dealing with China?

An exhaustive analysis of the points raised in these questions is clearly beyond the limited scope of this report. It is possible, however, to indicate with some precision the nature and extent of foreign interests, the origin and present status of treaty relations, and the present attitude of both the Chinese and the principal foreign Powers. Before reviewing these larger questions, however, it may be useful to present certain statistics on the present foreign population in China and the extent of foreign investments and foreign trade with China.

Foreign Population of China

The total number of foreigners of all nationalities resident in China is estimated roughly at from 320,000 to 325,000. The figure given by the Customs Administration for 1924 was 320,829, divided by nationalities as follows:

Japanese	198,206
(Considerable more than half of the Japanese population is in Manchuria.)	
Russians	85,766
(A large proportion are Russian refugees who migrated to China following the Bolshevist revolution.)	
British	14,701
Americans	8,817
(Information given by the State Department puts the figure at approximately 12,000 at the end of 1926.)	
Portuguese	3,657
Germans	2,733
French	2,715

The remainder represents small numbers of Italians, Austrians, Belgians, Spaniards, and nationals of many other foreign powers.

There is reason to believe that the Customs estimate given above is too low rather than too high, particularly in the case of Japanese and American residents in China. During the past two years there has been some increase in the number of Americans (but not enough to explain the difference between the Customs and the State Department figures) and a marked increase in the number of Germans living in China. The Russian population has probably fallen off since 1924 due to the return of some of the refugees to Russian territory.

The total Chinese population can only be estimated. In 1924 the Customs Administration put the total population of China at 444,653,000 Of this number, 10,277,000, or approximately two and a half per cent, lived in the treaty ports and thus came most directly in contact with foreigners. A very large proportion of the foreigners, however, are centered in the principal treaty ports and commercial cities. For example, some 40,000 foreigners live in the International Settlement at Shanghai.

Foreign Investments in China

No reliable figures are available as to the total amount of foreign investment in China. Various estimates put the figure at between $2,000,000,000 and $2,500,000,000, not including Hongkong. The Japanese investment is by far the largest, with the British second. The American investment is approximately $70,000,000 in commercial undertakings, and $80,000,000 in missionary enterprises, schools, hospitals, etc. Foreign firms and business enterprises in China are divided between the different nationalities approximately in the order of their population in China. Customs estimates for 1924 place the number of Japanese firms at 4,278; the number of Russian at 934; British firms at 726, and American at 470, State Department figures indicate that there are approximately 600 American firms established in China.

Commercial enterprises form much the largest part of foreign investments in China except in the case of American intesests. They include land and buildings, etc., at Shanghai, Tientsin, Hankow and other treaty ports; ships and shipping facilities for coastwise and river trade; railway, telegraph and telephone investments, and advances in railway equipment; factory buildings and equipment for various industrial enterprises; secured and unsecured loans to the Chinese Government. The Japanese own and operate the South Manchurian railway; the Russians own and operate the Chinese Eastern Railway, while the French have a short railway line in Yunnan province. Practically all of the other railways in China nominally belong to the Chinese Government, but some of them are under partial foreign control pending the repayment of the loans made for construction. The same is true of the telegraph system.

The total value of Chinese foreign trade for 1926, including both imports and exports, was a little over $1,500,000,000.

Foreign Trade	1915	1924	Increase
Imports	$357,799,500	$779,325,000	119%

Country	1920	1924	Increase
British Empire (inc. Hongkong)	$403,816,000	$501,675,000	24%
Japan and Korea	303,525,000	358,725,000	18%
United States and Philippines	160,900,000	224,475,000	40%
France	19,355,000	41,700,000	115%
Germany	5,400,000	39,950,000	658%
Italy	4,350,000	11,400,000	162%

In connection with these figures it should be noted that practically all of the Hongkong trade consists of goods imported and immediately re-exported; there is very little actual consumption and production of goods in the small territory of Hongkong itself. If the Hongkong trade is excluded in computing the share of the principal nations, their relative position is altered as follows:

Country	1920	1924	Increase
Japan	$303,525,000	$358,725,000	18%
United States	160,900,000	224,475,000	40%
British Empire	181,955,000	188,925,000	4%
Hongkong	221,775,000	312,750,000	41%

This comparison of the division of foreign trade by countries is brought out more clearly in the following tables. The first gives the percentage of total foreign trade by countries, including Hongkong, while the second table excludes the Hongkong trade from both the total foreign trade and from British trade:

Per cent of total foreign trade in 1924—(Hongkong in 1924 had 23% of total foreign trade).

Britain, including Hongkong	37%
Japan	27%
United States	17%
France	3%
Germany	3%
Miscellaneous	13%
	100%

Per cent foreign trade in 1924—(excluding Hongkong from totals)

Japan	35%
United States	21%
British Empire	19%
France	4%

Germany	4%
Miscellaneous	17%
	100%

This distinction is important because of the fact that the Inspector General of Customs, while an employee of the Chinese government, has always been by agreement a national of the country with the largest direct trade with China. The British maintain their claim to have a British national as the Inspector General of Customs on the ground that the trade through Hongkong, a British possession, counts as British trade.

Although the total foreign trade fell off slightly during 1925, it showed a marked increase in 1926 despite the uncertain internal conditions caused by the civil war and the anti-British boycott at Canton. This increase was equal to more than one-fourth of the total trade in 1915.

Foreign Missionary Investments

Investments in Protestant missionary enterprises have been made in large part by American and British church groups. The American investment, which is considerably larger than the British, consists of mission residence compounds in various parts of China, a number of high school and college grade educational institutions, and medical institutions, including the Rockefeller Foundation's Peking Union Medical College, in which the Foundation has invested approximately seven million dollars. American Protestant missionary bodies maintain seventeen schools for higher education, among which are: Canton Christian College, Central China University, Fukien Christian University, University of Nanking, Shanghai College and Yale in China.

The Catholic investment in China is some what larger than the Protestant. The French Government, with only the partial consent of the Pope, has taken upon itself the right to extend such diplomatic protection as may be necessary for Catholic activities in China. The Catholic Church has a large number of monasteries and convents and carries on extensive educational work in various parts of China.

Concessions, Settlements and Leased Territories

The distinction between the various areas set aside for the use of foreigners in China and the territory owned outright or leased by foreign Powers is frequently a cause of confusion. The territoriers owned outright by foreign Powers are legally as integral a part of those Powers as any section of the country itself. Thus Hongkong, ceded to Great Britain in 1842, is as much a part of the British Empire as Gibraltar, Macao, the Portuguese possession in South China, was given to Portugal "for perpetual inalienable occupation" and has the same status as Hongkong.

The leased territories likewise belong to the country holding the lease and are administered as parts of the territory of that country, with certain modifications of the administrative regulations to meet local conditions and to provide for the use of Chinese law and custom in legal cases in which Chinese are concerned on both sides. The principal leased territories are those acquired by Japan at Dairen on the Liaotung Peninsula in 1905; those acquired by Great Britain at Weihaiwei and Kowloon, opposite Hongkong, in 1898; and the French territory at Kwangchouwan, leased in 1898.

The international settlements, the concessions and the treaty ports, are Chinese territory and do not belong to the foreign Powers. Foreigners living in these areas enjoy the same extraterritorial privileges to which they are entitled elsewhere in China, and Chinese are under the jurisdiction of Chinese courts. Nevertheless, the concessions and settlements are governed and policed by the foreigners, and the Chinese have no voice in local administrative affairs. Although the terms are often used as synonymous, there is a marked difference between international settlements, concessions, and treaty ports.

In the international settlements, of which Shanghai is a typical example, the land which is delimited by boundary lines remains upon the register of the Chinese land office and the Chinese are not disturbed in the possession of any property they may have in the area. Foreigners may obtain perpetual leases, but cannot acquire permanent ownership of the land. In concessions, on the other hand, the entire area is leased to a foreign Power and an annual land tax is paid by the Power to the Chinese government. Foreigners obtain leases to the land within the area from the consular authority of the Power holding the concession. The foreign residential areas at Hankow are typical concessions. In some of the larger Chinese cities there are frequently two or more concessions.

In most of the treaty ports there is no separately organized and administered foreign settlement. Foreigners living in the treaty ports naturally concentrate in one part of the city, but they have no separate foreign municipal administration.

At Shanghai there are two principal foreign settlements; the so-called International Settlement, the administration of which is chiefly in British hands; and the French Settlement which is entirely under French control.

The International Settlement at Shanghai

The International Settlement is administered by a Municipal Council, the members of which are elected by the foreign taxpayers of the area. The Council is under the supervision of the foreign consuls at Shanghai who in turn are under the foreign heads of legations at Peking. The majority of the Council has always been British, due to the fact that British subjects hold a majority of the foreign property in Shanghai. The Council elects its own Chairman, who for the last few years has been an American lawyer of the city. The executive work in the administration of the settlement is carried out by the Secretary to the Council who has been a British subject since the Council was organized.

Although the Chinese property holders in the International Settlement pay the bulk of the taxes, they have no voice in the election of the Council, nor in the administration of the area. The policing of the settlement, sanitary measures, a certain amount of public education, etc., are under the control of the Council, but administered by the Secretary. In some respects the system at Shanghai resembles the City Manager system adopted in some American cities, with the Manager (the Secretary of the Council) responsible to an elected board. The members of the Shanghai Council, however, are elected at large instead of by districts.

The French settlement of Shanghai has a Municipa Council, the members of which are elected at large by the foreign taxpayers. The Council has little authority, however, the real control of the settlement being in the hands of the French Consul-General at Shanghai, who is subject to the French Minister in Peking. The Chinese have no vote in the French settlement, although here also they pay considerably more than half of the taxes.

The only other similarly organized international settlement is located at Amoy. Residential areas have been set aside at Changsha, Nanking, Hangchow, Soochow and several northern ports and the 49 treaty ports.

Foreign concessions are administered by Great Britain, France and Japan at Hankow; by Great Britain and France at Canton; by Japan at Chungking; and by all three of these Powers at several lower Yangtze and northern ports. A full list of the concessions administered by the various foreign Powers is found on the large table on another page.

Peking Legation Quarter

The Legation Quarter at Peking is neither an international settlement in the usual sense of the word, nor a concession. It is administered by the Diplomatic Corps acting as an administrative council, with the real authority in the hands of the group of Ministers who represent countries still exercising rights under the Boxer Protocol.

Policy of The Foreign Powers

In the beginning of their official relations with China, the policy of the European Powers and of Japan was to secure from China the right to trade on conditions which the foreign Powers considered reasonable. The Powers also demanded recognition of equality with the Chinese in diplomatic relations and used force to compel the acceptance of their demands. The United States was less directly interested in trade with China in the early years and was somewhat less aggressive than the European Powers. Since the beginning of the third quarter of the nineteenth century the United States has pursued with reasonable consistency the policy of avoiding any active aggression in China on its own part and of doing what it could to prevent further agression by the other Powers. The surrender of the American concessions, the return of the Boxer Indemnity money and the announcement of the principle of the "Open Door" was in line with this policy.

The Mackay treaty of 1902 with Great Britain and subsequent treaties with the United States and Japan marked the first step in the direction of meeting Chinese demands for the abolition of extraterritoriality. Further action, however, was not taken until the Washington Conference of 1921-22. The results of the Washington Conference were not entirely satisfactory to the Chinese and the delay in ratifying the treaties and calling the Customs Conference and the Extraterritoriality Commission, whatever the cause, tended to increase Chinese dissatisfaction.

During 1925 and 1926 internal political conditions in China became more and more unsettled. Control of the Peking Government shifted from one northern militarist to another and the influence of the Cabinet virtually ceased to exist outside the walls of Peking. In the South, however, the influence of the Southern Government increased steadily and the military campaign of Chang Kai-shek extended the authority of the Canton Government as far north as the Yangtze Valley.

The attitude of the principal foreign Powers may be summed up briefly as follows:

1. The Powers are ready to make far-reaching changes in their treaties with China;
2. They are finding it difficult to discover a *modus vivendi* for negotiating with the Chinese in the absence of a single government in that country;
3. In the meantime they are prepared to use armed force if necessary to protect foreign lives in China.

Some observers in close touch with the situation in China have pointed out that it might be possible to secure Chinese representatives from both the North and the South who would be in a position to negotiate with the United States if the request for such negotiations were specifically made. These observers point out further that some such action on the part of the United States would place this country in a favorable position and would put the responsibility for any further delay in the negotiation of new treaties up to the Chinese.

Table of Principal Foreign Interests in China

	United States	Great Britain	Japan	France	Italy
Population, 1924	8,817 12,000 (State Dept. estimate)	14,701	198,206	2,715	681
Value of Trade, 1924	$224,475,000	$501,675,000*	$358,725,000	$41,700,000	$11,400,000
Foreign Possessions	none	Hongkong ceded by Nanking Treaty, Aug., 1842. Area, 32 sq. m. Kowloon, old territory, ceded 1860	none	none	none
Leased Territories	none	Weihaiwei, leased July 1, 1898 Kowloon, new territory leased 1898 for 99 yrs.	Kwantung, leased to Russia March 27, 1898; transferred to Japan in 1905; lease extended to 99 yrs. from original date. Area, 1,300 sq. m.	Kwangchouwan, leased Feb. 19, 1900 for 99 yrs. Area, 200 sq. m.	none
Concessions†	none	Amoy (1851-52) Canton (1861) Hankow (1861) Kuikiang (1861) Tientsin (1861) Chinkiang (1861) Newchwang (1861)	Amoy (1900) Hankow (1898) Tientsin Hangchow (1895) Soochow (1895)	Canton (1861) Hankow (1886) Tientsin (1861)	Tientsin
Foreign Troops and Legation Guards (Permanently stationed in China.)	1,396 officers and men Stationed at Peking and Tientsin	1,218 officers and men Stationed at Peking and Tientsin	940 officers and men (Japanese troops in Manchuria number approximately 3,500)	1,708 officers and men Stationed at Peking and Tientsin	449 officers and men Stationed ta Peking and Tientsin
Foreign owned railways.	none	Kowloon-Canton Railway (British Section, 29 m.)	South Manchurian Railway, 672 m.	Yunnan Railway 288 m.	none
Investments: Commercial	$70,000,000	Figures not available	Figures not available	Figures not available	Figures not available
Missionary	$80,000,000				

*Including trade with Hongkong.

†Does not include Shanghai, an international settlement administered by the principal Treaty Powers.

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SOME OLD AND NEW ACTORS IN THE PRESENT POLITICAL DRAMA

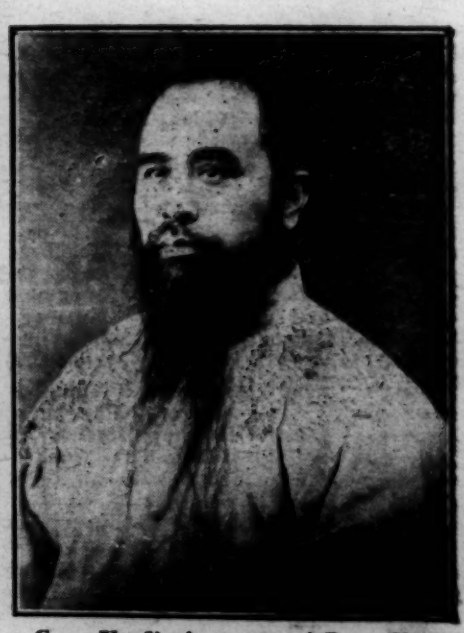
Wang Ching-wei, Chairman of the Political Committee, who has just returned from abroad.

Sun Fo, son of the late Sun Yat-sen, who is active in the Wu-Han faction.

C. C. Wu, son of the late Wu Ting-fang, who is a member of the conservative wing of the Kuomintang.

Gen. Feng Yu-hsiang, the 'Christian General' who is again on the move against Chang Tso-ling.

Gen. Wu Hsin-tien, another commander in Feng's army in the campaign against Fengtien.



Gen. Yu Yu-jen, one of Feng Yu-hsiang's commanders in the drive against Fengtien.

Gen. Tang Shen-tse, Nationalist commander at Hankow.

Ta Tien-chou, Nationalist Delegate to Japan who has just returned.

Gen. Chen Tiao-yuan, former tupan of Anhwei, who has joined the Nationalists.

The Question of Revision of Treaties With China

The following is the complete report issued by the Committee on Foreign Relations of the House of Representatives, Washington, D. C., containing summary of testimony presented on the subject of revising the Sino-American treaty.

THE Committee on Foreign Affairs of the House of Representatives, to which was referred House Concurrent Resolution 46, requesting the President to enter into negotiations with the Republic of China for the purpose of placing the treaties relating to Chinese tariff autonomy, extraterritoriality, and other matters, if any, in controversy between the Republic of China and the United States of America upon an equitable and reciprocal basis, having had the same under consideration, reports it back with slight amendment (typographical error) and recommends that the resolution as amended do pass.

Page 1, line 3, strike out the word "forthwith."

The resolution is as follows:

Whereas the United States in its relations with China has always endeavored to act in a spirit of mutual fairness and equity and with due regard for the conditions prevailing from time to time in the two countries, and since the development of conditions in China makes it desirable that the United States at the present time, in accordance with its traditional policy, should take the initiative in bringing about a readjustment of its treaty relations with China: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the President of the United States be, and he hereby is, respectfully requested to enter into negotiations with duly accredited agents of the Republic of China, authorized to speak for the people of China, with a view to the negotiation and the drafting of a treaty or of treaties between the United States of America and the Republic of China which shall take the place of the treaties now in force between the two countries, which provide for the exercise in China of American extraterritorial or jurisdictional rights or limit her full autonomy with reference to the levying of customs dues or other taxes, or of such other treaty provisions as may be found to be unequal or nonreciprocal in character, to the end that henceforth the treaty relations between the two countries shall be upon an equitable and reciprocal basis and will be such as will in no way offend the sovereign dignity of either of the parties or place obstacles in the way of realization by either of them of their several national aspirations or the maintenance by them of their several legitimate domestic policies.

Practically all the American cultural, financial, and missionary interests having relations with China are united in support of this resolution, as appears from the testimony. These interests have financial investments in China amounting to a total of not less than $150,000,000.

Cultural Interests

Mr. Roger S. Greene, New York City

(Formerly Consul General of the United States in China, now Director of the China Medical Board of the Rockefeller Foundation, resident in China 16 years)

Mr. Greene said in part:

It is my impression that the articulate portion of the Chinese people is almost unanimous in the desire to terminate the conventional tariff and the extraterritorial jurisdiction of foreign powers in China, which they believe hamper their efforts to place their domestic affairs on a better basis. Opinions differ as to the seriousness of these handicaps in actual practice, but even if their effect is less serious than some suppose, it appears natural that any such limitation of sovereignty should be resented.

It would appear from recent experience that any attempt to retain the special treaty rights referred to by application of force would result in failure unless force were applied on an inconceivably large scale. On the other hand, an undertaking by the United States Government to yield what the Chinese wish before it is compelled to do so, while it may have little immediate effect in arresting the present agitation against foreigners, is likely to gratify the more thoughtful minority of the people, may strengthen slightly the hands of their more reasonable leaders, and may lay the foundation for a friendlier relationship in the future.

Mr. Grover Clark, Peking, China

(Editor of the Peking Leader, president of Peking Leader (Inc.), professor in the National University of Peking, resident in Peking seven years)

Mr. Clark said in part:

American action along the lines suggested and within the very near future not only will restore Chinese good will toward the United States but it will also be of incalculably great effect in turning the whole trend of Chinese feeling toward confidence in appeals to unforced justice and reasonable fairness as effective means of settling international differences and away from the conviction that force offers the one sure means of realizing even legitimate national aspirations.

Mr. Joseph Washington Hall, Seattle, Wash.

(Lecturer on Oriental Life and Politics at the University of Washington, Seattle; resident in China eight years; author of New Outline History of China)

Mr. Hall said in part:

There is something absolutely new in China to-day which has not existed before, and that thing has grown up within the last 10 months and it is just as strong and unusual and important as the Fascist movement in Italy, and any man who tries to report the condition in China to-day, even though he was there as late as last summer, is apt to be as misleading as would be a man who left Rome two weeks before the Fascists marched on it, who was trying to report conditions in Italy.

The feeling of the Chinese Nationalists is to-day that as far as the abrogation of the old treaties is concerned that is a fait accompli; that from their standpoint the old treaties are gone already and there is no possible chance in the world of their ever coming back into execution except through the superior force imposed upon China from abroad; that is, if we go over there and conquer them.

Dr. Paul Monroe, New York, N. Y.

(Director International Institute, Teachers' College, Columbia University, New York, N. Y.; member of board of directors of the China Foundation for the Promotion of Education and Culture, erected out of the remitted American Boxer indemnity)

Doctor Monroe said in part:

There is a second point of which I might emphasize the importance. As I have indicated, my contacts are chiefly with the educators or students in China, and I would first point out that this agitation in China is at present based upon and led by the intellectual class. In that respect it is entirely different from movements which have occurred earlier, and America's stake in this is that we have trained a very large part of these young men, not so much those who are taking leadership now but who will be in a position in this generation immediately coming. It is of the greatest importance that we maintain, in their judgment, this good will for America.

One of the greatest defects in America's approach to China, in my judgment, has been that we have seldom if ever paid any attention to what the Chinese are thinking, and that applies to our business men, to the missionaries, and it applies even to the Government; that is, we determine all those things on the basis of what we think about it, and we have reached the stage when Chinese public opinion is of such significance and is of such a determining character that if we wish to guide our own policy aright it seems to me highly inportant that we pay attention to what the Chinese really think and believe which underlies their action, and that if we are going to direct our own Government so that we may have a clear record similar to what it has had in the past, not only with respect to China but the whole Orient—it is quite important that we take into account this very fundamental condition of the Chinese people.

Dr. Edward H. Hume, New Haven, Conn,

(President of the College of Yale-in-China, Changsha, China, resident in China since 1905)

Doctor Hume said in part:

America has been losing ground, or, to put it in another way, the Chinese Nationalist movement has been gaining ground, not within the last 10 months only but far longer. What has flared up in the last few months has been very quietly developing since 1911. It was the activity of this Nationalist party, working secretly, that really led to the overthrow of the Manchu dynasty in 1911. Through it also, as we have been steadily warned since 1922, will come the overthrow of present western relations unless westerners adopt a policy of justice and reciprocity.

We have got to recognize that the old treaties are on the verge of being wholly wiped out unless the western powers willingly come forward and offer to revise them. The Chinese have been willing to receive the help of the western world and I think, if we move now, that there is a chance of conserving our friendly relations with China and our ability to help China. If we do not move, we shall throw China into the arms of eastern Europe, which is waiting to be its counsellor and friend.

Prof. W. W. Willoughby, Baltimore, Md.

(Professor of Political Science at Johns Hopkins University, author of 'Foreign Rights and Interests in China," "Opium as an International Problem," and "China at the Conference" (Washington Limitation of Arms Conference)

Professor Willoughby said in part:

At the Washington conference (1922) China asked for complete tariff autonomy but was told right away it was impossible to get that. She then asked that she might levy at once 12½ per cent. She was told that was impossible. She then asked that she might levy 7½ per cent right away. Japan said it would be ruinous to herself; that she had a great trade with China and could not agree to an immediate 7½ per cent.

The final result was that there was a customs treaty entered into, according to which there was to convene in Peking a special customs conference of a very limited sphere. It was to consider with China what means might be taken in order to get rid of the likin tax and other taxes, so that China might ultimately get the 12½ per cent; secondly, what interim taxes China might possibly be allowed to levy until the time should come when this likin tax was abolished, and the conditions under which she might levy a surtax of 2½ per cent, raising the 5 per cent to 7½ per cent, or, with regard to certain commodities, certain luxuries, she might put the tax up to 10 per cent. The conference was to discuss these matters.

Coming back then to this tariff conference which was provided for by the Washington conference treaty, you can see its original scope was a very limited one. It was to enable steps to be taken to get rid of the likin tax ultimately, so that China might levy 12½ per cent on imports and also some interim provisions, which involved levying 2½ per cent more and the 5 per cent more on luxuries. However, the calling of that conference was delayed for three and a half years because of the fact that the Washington treaties were not ratified by France until August, 1925.

"Mr. Linthicum. The result of the whole thing is just tnis, that nothing was accomplished at the Peking conference and it remains now as at the time of the Nanking treaty.

"Mr. Willoughby. Yes; and I will say a word about that. China at the Washington conference got very little specifically, but she reserved the right to raise the question of complete tariff autonomy at any appropriate time, and when the invitation finally went out for the conference to convene China asked that the question of tariff autonomy be considered. The American Government wrote a very liberal answer to that, in which it expressed its willingness to raise this general problem of tariff autonomy, not only in the conference at Peking, which was to meet, but at any other appropriate time."

Business Interests

Mr. Henry K. Norton, New York, N. Y.

(Acting Secretary of the American Asiatic Association)

Mr. Norton stated that the executive committee of the association, without exception, indorsed House Concurrent Resolution 46. In reply to a question of the chairman as to whether the association represented a large majority of the Americans who have financial interests in China, he stated:

I can not say just what proportion, but it must be very close to, either directly or indirectly, representing practically all of the American financial interests in China.

In reply to further questions he stated that these investments were estimated to be about $69,000,000 (gold) in business investments, and that the value of missionary and educational investments would bring the total up to $150,000,000.

In addition to the above, the following persons were present or had arranged to be present to testify, when the committee, on account of the urgency of the situation and the representative and conclusive character of the evidence already presented, decided to close the hearings and report the resolution, permission being granted to these persons, upon their request, to file their statements as part of the record. All of these favored the resolution:

Missionary Interests

Dr. A. L. Warnshuis, New York, N. Y.

(Secretary of the International Missionary Council, resident in China 1900-1920)

He submitted the following resolution, adopted by the Foreign Missions Conference of North America at its annual meeting in Atlantic City on January 14, 1927:

The Foreign Missions Conference of North America resolves to urge upon our Governments the revision, as soon as possible, of the existing treaties between them and the Republic of China, so that henceforth the treaty relations shall be upon a wholly equal and reciprocal basis.

Doctor Warnshuis's complete statement appears in the printed hearings, from which is quoted the following:

Two ideas, it seems to me, underlie these statements of the missionary boards. The first is that the condition that prevails in China and the psychology of the Chinese people have greatly changed since the existing treaties were made. These changes are of the most profound character affecting the whole, political, social, industrial, and intellectual life of China. The western powers must readjust themselves to the processes of evolution taking place in the life of China, and it will do no good to attempt to hold up the movements in China by insisting upon the terms of treaties that have become obsolete.

The second idea is simply a recognition of the necessity for effective action that will be accepted by the Chinese as a

satisfactory demonstration of the real desire of the western powers to treat them fairly. Fine words and vague promises are no longer sufficient. The technicalities of existing agreements should not be permitted to prevent the early adoption of some clearly defined, far-reaching action that will prove beyond question the just and equitable purposes of the United States in its relations with China. The present misunderstandings, if not promptly removed, tend not only to strengthen the growing protest against so-called "foreign domination" but also to support the opinion of the Chinese people that they can obtain justice at the hands of western nations only by the use of military force or by economic boycotts and strikes.

Right Rev. Alfred A. Gilman, Wuchang, China
(Suffragan Bishop of the Protestant Episcopal Diocese of Hankow, president of the Central China University)

The following is an excerpt from Bishop Gilman's statement:

The Chinese people are united in their national aspirations. The remission of the Boxer indemnity and the American attitude on the Shantung question have made the Chinese grateful to the United States. The union of the powers against China in distress is a crime. The old treaties have done great harm. Your resolution calls for a treaty that will be appropriate to-day. China can produce representatives acceptable to all factions. Early declaration is urgent.

Mr. Fletcher S. Brockman, New York City
Secretary of the Foreign Committee of the National Council of the Young Men's Christian Association of the United States of America and Canada, resident in China for approximately 30 years)

The following is an excerpt from Mr. Brockman's statement:

The general board of the National Council of Young Men's Christian Associations of the United States has unanimously indorsed Concurrent Resolution 46 and urges its adoption by Congress. The foreign committee of the National Council of the United States and Canada has 69 secretaries on its staff in China, working in 24 leading cities and 200 colleges and schools. It has contributed $2,200,000 to buildings. Its current budget for China, 1927, is $728,000.

Miss Mary Elizabeth Wood
(Boone University Library, Wuchang, China, resident in China approximately 28 years)

The following is an excerpt from Miss Wood's statement:

If the United States does not act quickly, she will lose one of her golden international opportunities, which she will never cease to regret in future years.

A prairie fire is sweeping over China while we are deliberating and debating.

Cultural Interests

Dr. John H. Latane, Baltimore, Md.
(Professor of American History and lecturer on International Law, Johns Hopkins University)

A letter from Doctor Latane to Hon. J. Charles Linthicum, indorsing the resolution, was printed in the Congressional Record of January 18, 1927.

Mr. Felix Morley, Baltimore, Md.
(Foreign editor of the Baltimore Sun, author of Our Far Eastern Assignment)

The following is an excerpt from Mr. Morley's statement:

In the five years since the Washington Conference nothing has been accomplished in fulfillment of the nine-power treaty pledge to respect the sovereignty of China. Futile assurances of sympathy and promises of "gradual and progressive" steps in granting China full tariff autonomy are merely irritants to the Chinese nationalists. The United States must now choose between the British policy of military force with all its incalculable dangers and the rational constructive alternative offered by the Porter resolution. We cannot balance indefinitely between peace and war.

Right Rev. Charles H. Brent, Buffalo, N. Y., Protestant Episcopal bishop of western New York and formerly bishop in the Philippines for 20 years, was unable to attend but sen the following letter:

My Dear Mr. Porter: Thank you so much for your letter of Jauuary 6. I am with you entirely. I believe that except on such lines America is apt to stultify herself in China. Some one has to make the break, and no one is in a better position than we ourselves. I have gone through your bill and think that it ought to rouse considerable interest, especially among the people who are attacking foreigners. It will be an evidence to them that we, at any rate, stand for an independent China on the same basis as our own Government is independent.

I wish I could hope to get to Washington, but two things prevent. I am booked up irrevocably and I am not in first-rate trim, so that I have to be pretty careful about travel. However, my sympathy goes with you.

Yours very faithfully,

Charles H. Brent.

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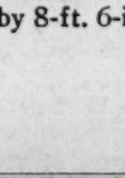
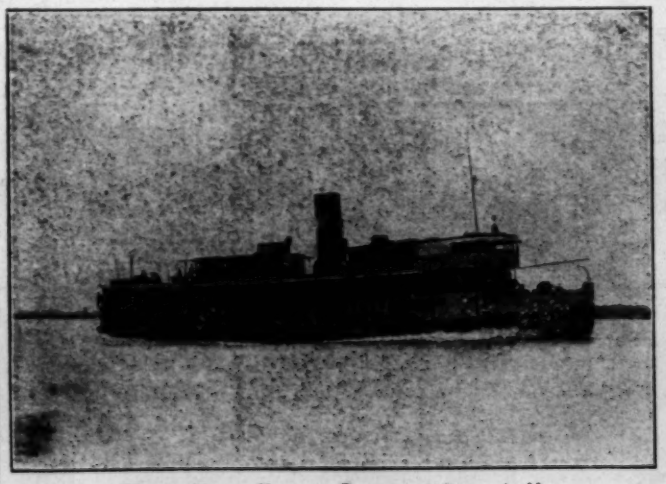


Codes Used: A.B.C. 5th Edition, Bentley's, Lieber's, Standard, The Engineering 2nd Edition.

Two Dry Docks—Dimensions are

Name	Length on Blocks	Breadth		Depth on Sill
		Top	Bot.	
No. 1 Dock.....	545-ft.	70-ft.	62-ft.	20-ft.
No. 2 Dock.....	502- „	70- „	60- „	23- „

Sheerlegs to lift 75 tons.



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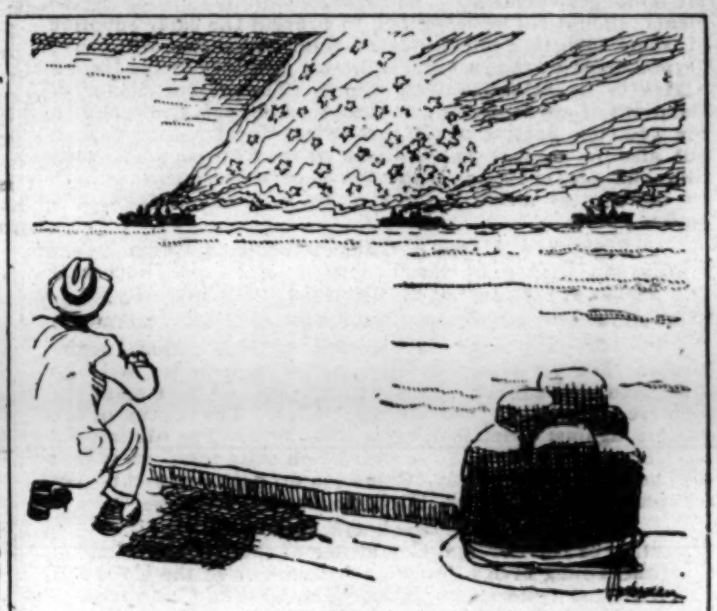
More European and American Cartoons on China

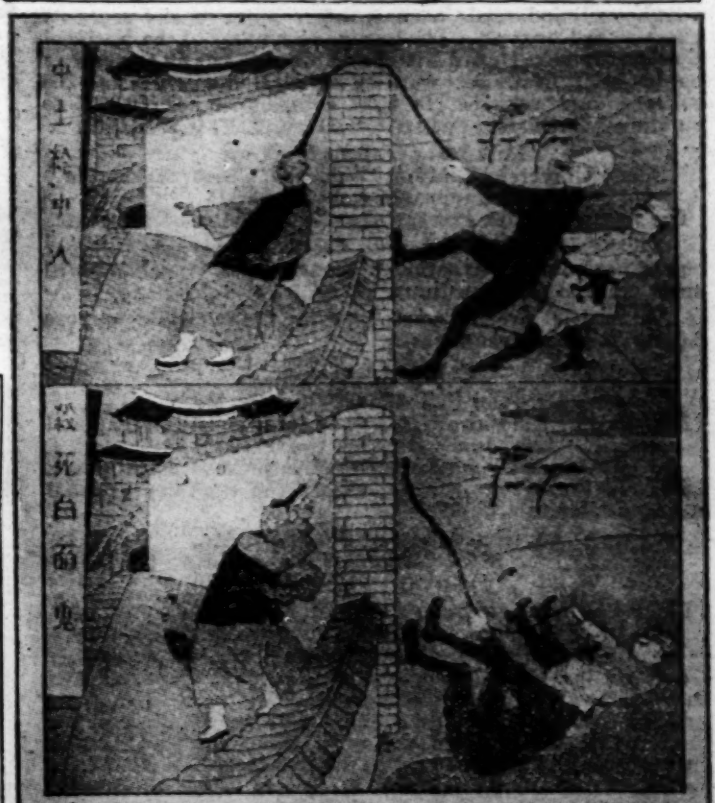
WANTS TO RUN HIS OWN TRAIN

[Glasgow Evening Times.]

John Bull: "But I made your train go."
Young China: "Doesn't matter. Go away."



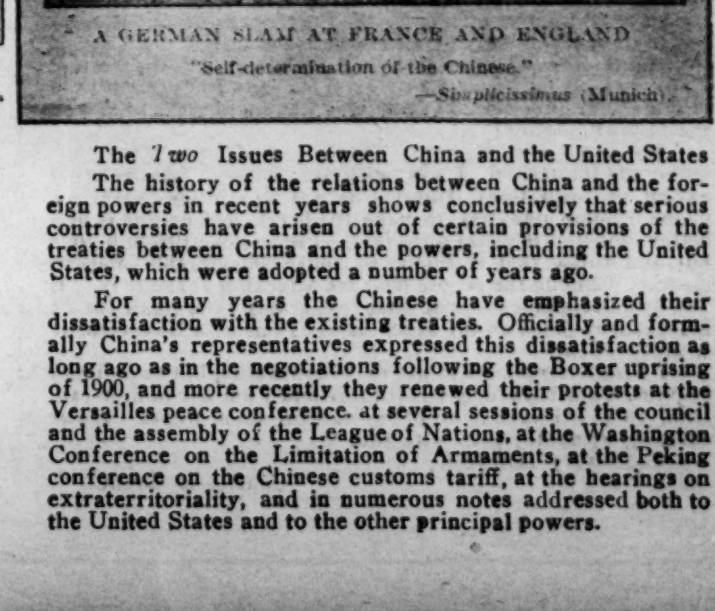
IT MUST BE A GREAT SIGHT WHEN YOU'RE FAR FROM HOME AND IN TROUBLE
—Westerman in the Columbus *Ohio State Journal*.



WITH HANKOW IN THE HANDS OF REDS THE CHINESE PUZZLE CAN NOT BE SOLVED

From the *Daily Chronicle* (London, England)

[Here again, as in the cartoon at the bottom of the preceding page, we find an English journal attributing to the Russian Bolshevists blame for the present Chinese muddle]



A GERMAN SLAM AT FRANCE AND ENGLAND

"Self-determination of the Chinese."

—*Simplicissimus* (Munich).

In addition to the above, numerous resolutions and letters were received by the committee urging the passage of the resolution, which appear in the printed hearings. Among the organizations and individuals who thus expressed themselves were:

L. D. Froelick, editor of "Asia."

Federation of Women's Boards of Foreign Missions of North America.

American Committee for Justice to China.

James G. MacDonald, chairman Foreign Policy Association, American Committee for Fair Play in China, San Francisco.

The Washington Federation of Churches, Washington D. C.

Women's Missionary Society of the District of Columbia.

The *Two* Issues Between China and the United States

The history of the relations between China and the foreign powers in recent years shows conclusively that serious controversies have arisen out of certain provisions of the treaties between China and the powers, including the United States, which were adopted a number of years ago.

For many years the Chinese have emphasized their dissatisfaction with the existing treaties. Officially and formally China's representatives expressed this dissatisfaction as long ago as in the negotiations following the Boxer uprising of 1900, and more recently they renewed their protests at the Versailles peace conference. at several sessions of the council and the assembly of the League of Nations, at the Washington Conference on the Limitation of Armaments, at the Peking conference on the Chinese customs tariff, at the hearings on extraterritoriality, and in numerous notes addressed both to the United States and to the other principal powers.

Among the issues of major importance in dispute between China and the powers there *are only two* with which the United States is directly concerned. These relate to the exercise in China of American extraterritorial or jurisdictional rights, and the limitation of China's autonomy with reference to the levying of customs dues or other taxes. The controversy which centers around these two issues is disturbing the cordial relations which always have existed between China and the United States. There are other minor points of difference growing out of other treaty provisions. The settlement of these two main issues, however, would be incalculably far-reaching in its influence and effect. It is reasonably certain that with these causes of misunderstanding removed, the other minor differences automatically would disappear or would yield promptly to friendly negotiations.

The testimony which was presented to the committee shows conclusively that there is a substantial dispute between the two countries over these two questions of extraterritoriality and tariff autonomy.

Extraterritoriality

As to extraterritoriality, all parties were agreed that its inherent defects are such that these rights either should be relinquished, as they have been by the United States in other countries, or so limited in their operation as to remove whatever injustices arise from the present system.

The Hon. Silas H, Strawn, American delegate on the Commission on Extraterritorial Jurisdiction in China, which met in Peking last year, also discussed this point in his address before the International Chamber of Commerce at Colorado Springs on December 7, 1926. In the printed text of this speech given out by Mr. Strawn occurs the following passage showing that the objections made to extraterritoriality by China have a reasonable basis:

The chief objections to the exercise of extraterritorial rights are (1) the multiplicity of courts and diversity of laws, anomalies arising because every foreign country administers its own laws and courts in China; (2) the inaccessibility of the courts because of the wide stretch of Chinese territory and the comparatively few foreign consuls; (3) inexperience and lack of judicial training on the part of the foreign consuls; (4) appeals from foreign courts in China in some instances must be taken to a court beyond the territorial limits of China; (5) the courts of the foreign powers in China, being obliged to apply the laws of their several countries, are powerless to modify these laws without specific authority in each case; (6) some extraterritorial powers too readily extend their protection to Chinese in China by allowing Chinese to become citizens of the foreign countries, Chinese firms and property to be registered as foreign in the foreign consulates, thus removing Chinese persons, property, and business interests from the jurisdiction of Chinese laws; and (7) the inviolability of foreign premises and restrictions upon travel, trade, and residence.

This statement is a summary of the "observations on the general aspects of the practice of extraterritoriality in China" as given in the official report of the commission itself.

Prof. W. W. Willoughby, author of "Foreign Rights and Interests in China," and for 30 years professor of political science of Johns Hopkins University, testified before the committee to the same effect. His testimony may well be summarized in his own words as given to the Conference on American Relations with China held at Baltimore, Md., on September 19, 1925, as follows:

Whatever advantages may result from the exercise by the powers of extraterritorial rights in China, the following objections to the system exist:

1. The whole system is in derogation of the dignity of a great and civilized people.

2. Because of this, its enforced existence tends powerfully to create an antiforeign feeling.

3. The system deters China from opening up her entire territory to unrestricted commercial intercourse.

4. It necessitates a multiplicity of courts; that is, different courts for the nationals of each of the powers that enjoy extraterritorial rights.

5. It necessitates the appreciation of diverse laws. Thus, if several persons of different nationalities are engaged in the same transaction, not only must each of them be proceeded against in different courts but their legal rights and responsibilities must be determined by different laws.

6. In not a few cases it is found that there are no laws applicable to the facts involved.

7. The Chinese injured by the criminal acts of the other powers have in many cases no convenient way of knowing whether the sentences imposed are actually carried out.

8. In some cases the inconvenience of taking the offender before the nearest consular court as required by the treaties, and then of producing the necessary witnesses or other

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evidence, makes it practically impossible for the Chinese who have been injured by the acts of foreigners to take any action whatever in order to obtain redress. * * *

9. From the very nature of this authority the extraterritorial courts have little or no authority over the plaintiffs in the suit brought before them. From this lack of authority it results that these plaintiffs can not be punished for perjuries or contempts committed by them in the course of the proceedings. Furthermore, these courts are not competent to consider legitimate set-offs or counterclaims which may be brought forward, the validity of such set-offs or counterclaims being determinable only in the Chinese courts, since they are in the nature of actions in which the Chinese appear as defendants.

10. In general, the extraterritorial courts, being held by consuls, are not administered by persons technically trained in the law. The justice that is had is thus often of the most haphazard character. In many cases there is no appeal from consular decisions for the correction of legal errors, and, when there is a right of appeal, the costs, in most cases, are sufficient to deter the plaintiffs from exercising the right.

11. Finally, it can not be denied that the consular or other officials holding the extraterritorial courts are under a strong temptation, which in many cases they can not resist, to favor the sides of their own nationals who are the defendants in the cases brought before them. The partiality thus displayed is undoubtedly considerable, and in the consular courts of certain countries is so great that almost never is a verdict against the defendant obtained.

The argument in favor of the maintenance of extraterritoriality was summarized by Professor Willoughby in the paper from which the above quotation was taken, as follows:

The only justification advanced by the powers in support of the maintenance by them of extraterritorial courts in China has been the claim that the Chinese laws, as regards both their substantive provisions and their modes of administration, do not satisfy the ideas of the powers as to what is just and expedient. They claim, among other things, that the Chinese criminal laws are often too severe, that a due distinction is not made between civil and criminal acts, that the principle of vicarious responsibility is pushed to undue lengths, that Chinese judges and other court officers are not always impartial, and, finally, that the laws which they enforce are not definite or uniformly applied.

No further discussion is necessary to support the conclusion that there exists a serious controversy over this matter which should be settled as promptly as possible, and which can be dealt with adequately only in the course of mutually fair and friendly negotiations.

Customs Autonomy

The second of the major issues between China and the United States is that involved in the present limitations on the right of the Chinese Government to fix its tariff and taxation policies in accordance with its revenue necessities or the needs of its economic and industrial life.

In January of 1922 your chairman, while acting as chairman of the subcommittee on the Pacific and far eastern questions, of the advisory committee to the American delegates to the Conference on the Limitation of Armaments, made a report which included a discussion of tariff autonomy. The testimony of the witnesses before your committee supported the views expressed in this report, from which the following is quoted:

In 1842 Great Britain terminated the opium war with China by the treaty of Nanking.

Article X provided as follows:

"A fair and reasonable tariff on export and import and import customs and other duties, which tariff shall be publicly notified and promulgated for general information."

In 1858 China agreed by treaty with the powers that the maximum import duties levied by China thereafter should not exceed 5 per cent ad valorem, and on this basis a tariff of specific duties was adopted on many of the important articles of trade. This treaty prevented China from protecting her home industries by an import tariff of more than 5 per cent. During the Taiping rebellion, which occurred in the years 1857–1860, Chinese authority in the Yangtze Valley was destroyed, and the foreign merchants doing business at Shanghai paid the duties upon the goods they imported to their consular offices at that city to be held for the Chinese Government. This temporary arrangement resulted in the organization of the Chinese maritime customs administration, which is presided over by a British citizen and administered by a number of foreigners. This organization has been collecting the duties for upward of half a century. The collections are deposited in foreign banks, and certain foreign loans have a first lien on the fund. In case there is a balance remaining after payment of the foreign loans a practice has grown up whereby it is not released to the Chinese Government without the unanimous consent of the ministers representing the great powers.

In 1901, after the Boxer rebellion, it was agreed in a protocol signed in Peking between the powers that the Chinese import tariff should be revised and made effective upon a 5 per cent ad valorem basis. This revision was duly made and annexed to the American treaty which was signed in 1903 There was no further revision of the Chinese tariff until 1918, when a commission called to sit at Shanghai revised the import tariff made in 1901, this revision being necessary because of the increase in value since the 1901 revision. This revison was ratified by a treaty with the United States in 1920.

These treaties between China and the powers, which fix a maximum amount of the Chinese import tariff, lack mutuality, as they deny China the similar right to fix the duties on Chinese goods imported by the powers. China, therefore, can not fix a protective tariff in excess of 5 per cent on foreign goods, while all the parties to these treaties have the right to fix any tariff on the goods of China imported by their respective countries that in their judgement is necessary to the protection of their home markets.

Furthermore, the lack of elasticity in the 5 per cent basis prevents China from materially increasing her revenues by increasing the tax on tobacco, liquors, and other luxuries above the 5 per cent.

In all progressive countries the power of taxation is vested in the most popular branch of the legislature, but in China this necessary function, so far as import duties are concerned, is vested in the representatives of foreign nations. Since the first tariff law was adopted in the United States in 1816 there have been many radical revisions due to changed conditions. It has been a paramount issue in many of our presidential campaigns. The Chinese tariff has been practically the same since the treaty of Nankiang, made in 1842. The unanimous consent of the treaty powers must be secured before a tariff can be revised. China is financially impotent with her import tariffs controlled by aliens, likewise the collection thereof and the revenues derived therefrom, on which foreign loans have a first lien, deposited in foreign banks, and the balance released to the Chinese Government only on the unanimous consent of the diplomats in Peking. Common justice demands that China should have tariff autonomy.

Since the above was written, and following the Washington conference, the specific tariff schedules were again revised in a conference of the powers to bring the charges up to an effective 5 per cent ad valorem.

Thus it is clear that the issue of tariff autonomy also involves the possibility of serious misunderstanding between China and the United States. As in the case of extraterritoriality, prompt and mutually fair negotiations alone can remove this cause of potential ill feeling.

The American Attitude on Sovereign Rights

The attitude of the United States toward the right of each nation to manage its own affairs is clearly expressed in the followiug decisions of the Supreme Court of the United States:

Marshall, C. J. (1823)....{ Every nation is in law and before law the equal of every other nation belonging to the society of nations, and all nations have the right to claim and, according to the Declaration of Independence of the United States, "to assume, among the powers of the earth, the separate and equal station to which the laws of nature and of nature's God entitle them." (*Le Louis*, 2 Dodson, 210 243-4; *The Antelope*, 10 Wheaton, 66, 122.)

Marshall, C. J. (1826)....{ Every nation has the right to territory within defined boundaries and to exercise exclusive jurisdiction over its territory, and all persons, whether native or foreign, found therein. (*The Exchange*, 7 Cranch, 116, 136-7.)

White, C. J. (1887).....{ Every nation entitled to a right by the law of nations is entitled to have that right respected and protected by all other nations, for right and duty are correlative, and the right of one is the duty of all to observe. (United States *v.* Arjona, 120 U. S. 479, 487.)

The Chinese claim that the treaties with the United States at present in force deny to China the exercise of full sovereign rights. In these circumstances, and in accordance with the traditional policy of the United States, it is appropriate that the United States now should propose to the Republic of

China negotiations looking toward the readjustment of treaty relations, in order to put these relations upon an equitable and reciprocal basis, and in such form as will in no way offend the sovereign dignity of either nation, or interfere with the realization by either of proper national aspirations, or the maintenance of legitimate domestic policies.

The proposal to enter into negotiations in the spirit of the resolution reported favorably by your committee at once would clear the United States from any possible charge of unwillingness to deal fairly with China. At the same time it would place squarely upon the Chinese the responsibility for meeting the United States in a similar spirit of mutual fair dealing and justice.

Ability Of China To Negotiate

In view of the present disturbed conditions in China, the question was raised in the hearings in your committee as to whether it would be possible for that country to appoint representatives authorized to act for China as a whole in negotiations with the United States. All of the testimony presented to your committee on this point confirms the view that, while the Chinese may be divided on domestic questions they are strongly united in their desire that China's equality among the nations be recognized and that what they consider the present restrictions on Chinese sovereignty be removed.

Whether or not the Chinese Government is sufficiently well organized to appoint duly accredited agents with authority to bind by treaty the Republic of China can be determined in only one way, and that is by the United States making the necessary proposal and thereby ascertaining the facts. We have no right to remain inactive for reasons which are based on assumption.

The Secretary of the State of the United States in a statement issued under date of January 26, 1927, declared:

The Government of the United States was ready then and is ready now to continue the negotiations on the entire subject of the tariff and extraterritoriality *or to take up negotiations on behalf of the United States alone.* The only question is with whom it shall negotiate. As I have said heretofore, if China can agree upon the appointment of delegates representing the authorities or the people of the country, we are prepared to negotiate such a treaty.

The chairman of the committee is in entire accord with this statement by the Secretary of State. It clears the way for the opening of negotiations between the United States and China on the matters in controversy by the transmission of a message to China through the Chinese minister to the United States, Dr. Sao-Ke Alfred Sze, who in daily contact with our Government is recognized as the official representative of the Republic of China, requesting the "appointment of delegates representing the authorities or the people of the country" (China). Such action is eminently fair, as it will give China the option of negotiating with the United States in conjunction with the other powers or separately.

Promptness Of Action Required

The need for prompt action was emphasized by all the witnesses and it was their unanimous opinion that every day's delay in the adjustment of differences between the United States and China would increase the feeling among the Chinese that force alone could be depended on to secure justice and make more difficult the settlement of these differences on the basis of mutual friendliness and fair dealing. The views of the witnesses were well expressed by Mr. Grover Clark, who testified in part as follows:

Events are moving so rapidly in China that the opportunity for the United States to make a really effective move toward essential improvement in Sino-American relations will be lost unless action be taken within the very near future.

Nothing is to be gained and much may be lost by inaction.

After considering these points in the light of the information secured by it at the hearings and from other sources, the committee voted to recommend that this resolution pass. In doing so it gave concrete expression to its belief that the United States should determine for itself a distinctive American policy in relation to China and should declare and pursue that policy independently, if necessary, of the other powers. Such action by the American Government would insure the removal of the causes of misunderstanding between China and the United States *without risk of delay arising out of controversies which China may have with other nations.*

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America Buys More From China Than It Sells

BY GEO. W. MISSEMER

IT may not be generally realized that despite the very excellent record of salesmanship made by many American corporations in China, the balance of trade as between China and America is very much on the wrong side of the ledger. In other words America buys a great deal more from China than China buys from America. The amount by which America falls short of striking a balance with China is a very considerable one. Thus in the year 1925 America sold to China goods to the value of something under a hundred million dollars. The exact figure is Gold $94,166,807. As against that China sold to America goods to the value of considerably more than one hundred and fifty million dollars. The exact figure is Gold $168,939,009.

Now it is an axiom of trade that all accounts must be balanced somehow. America's trade account with China is balanced by trianguiar transactions, as happens to be the case between America and Argentine. But with Argentine the situation is the other way about. America's trade with Argentine goes something like this: America ships large amounts of machinery, textiles and paper to Argentine, Argentine does not export nearly enough to America to pay for all it imports from America so the payment comes by way of Europe, Argentine exporting large quantities of animal products to Europe and Europe buying much cotton in the United States.

Silk Principal American Purchase

America's unfavorable balance with China is also paid by way of Europe, European countries on the whole selling much more to China than they buy here. As years go by this situation will doubtless change.

The one particular item of export from China to the United States that makes China's exports loom up so largely is the item of raw silk of which America annually takes more than fifty million gold dollars worth.

The two high spots in the exports of America to China are tobacco and kerosene. While it is true that in both these articles a considerable part of the trade is due to the fact that America is the principal country of supply, the huge business has been built up largely as the result of expert salesmanship. America sells annually about ten million gold dollars worth of tobacco leaf to China and about an equal value of cigarettes. The trade in the latter article is distinctively a triumph of American salesmanship. The Chinese have always been tobacco smokers, but the problem was to induce the Chinese to give up their old-fashioned water pipes and to take up the cigarette instead. This was done by sending groups of salesmen all through the interior, first scattering the cigarettes almost broadcast through interior villages free of cost. This campaign of free samples was followed up by an intensive campaign of making agency agreements, and to-day (speaking figuratively, and not taking into account the war areas) there is hardly a hamlet that is not selling American cigarettes.

Naturally enough the Chinese were not slow in following the American lead and there are now dozens of large Chinese factories making cigarettes on the American model. In fact there is no one article in which the Chinese populace has been appealed to so much on patriotic grounds as in the matter of cigarettes. The Chinese newspapers are full of advertisements of Chinese cigarette manufacturers advertising "Love your Country" cigarettes, and slogans of "Buy Chinese Goods." This increase of Chinese cigarette factories has naturally made a market for American tobacco leaf, and despite the fact that the large American tobacco companies have taught the Chinese how to raise the cigarette-type of tobacco themselves the major portion of the tobacco used in the manufacture of cigarettes in China comes from the United States.

Tobacco and Kerosene

Vying with tobacco and cigarettes in the list of American exports to China are petroleum products, of which the principal one is kerosene. China buys from America yearly more than eleven million gold dollars worth of kerosene in bulk and more than six million dollars worth in containers, this in addition to various lubricating and other oils. The huge business in kerosene is distinctly a triumph of salesmanship. Here the problem was to induce the Chinese to stop using their old-fashioned smoky vegetable oil lamps and induce them to use the cleaner kerosene instead.

The story of how the Standard Oil Company sold small kerosene lamps at cost as part of the campaign to teach the Chinese to use kerosene is too well known to need repetition here. Suffice it to say that all throughout China American kerosene is for sale not only in tins and cases, but in little retail driblets of several coppers' worth. Indeed it is probably not too much to say that the major part of American kerosene goes to the ultimate consumer in just such little driblets. When the supply in the little kerosene lamp runs out the housewife will send a youngster round the corner to buy a cent's worth more of oil. It is one of the best examples to be found anywhere of the old proverb: "Despise not the day of small things."

There are certain things that America buys from China which it might almost be said *must* be bought in this country. For example America buys from China yearly about eight million dollars' worth of tung-nut or wood oil. The disturbances in the Yangtsze valley have much interfered with the free export of this article and the problem of reducing these purchases from China has been attacked in the United States in two ways. One of them is to grow the tung tree in the United States. The other is to find a suitable artificial substitute for making the varnishes, in the manufacture of which the tung oil is used. Fair success has attended both efforts and there is considerable prospect that in future years the export of tung oil from China to the United States will drop considerably.

Antimony

One article of which China has almost a monopoly is antimony. Of this America buys about two million dollars worth annually. This is another product from the Yangtsze valley, also somewhat affected by the civil war in that region, but the effect has not been nearly so great as it has been with wood oil.

In the item of carpet wool and oriental-weave carpets China also finds its best customer in the United States. Wool carpets from China go to the United States at the rate of about five million dollars worth a year, and wool and various kinds of hair are sent to an even greater amount.

America, despite its proximity to Canada, and the large amount of furs produced within the country itself, draws on China for furs of various kinds to an enormous extent. Incidentally it may be worth pointing out that the general idea as to the section of the United States which produces the greatest value of furs is quite wrong. The popular idea is that furs come only from the cold countries. Now it so happens, owing to the great impetus that has been given to muskrat farming by America's insatiable appetite for "Hudson seal" that the greatest fur producing district is the state of Louisiana, whose swamps have been honeycombed with muskrat warrens, the owners of which are reaping a veritable harvest.

Now let us have a look at some of the furs which China sends to the United States. The humble marmot accounts for more than two million dollars worth. Weasel skins, which one rather fancies in the end adorn some lady's coat as "ermine," go to the United States annually to a value of two and a half million dollars. Squirrel skins to an even greater amount are sent from China to America, about three million dollars worth annually. Dogskins, which make a good imitation of fox, find customers in America from China to the extent of more than a million dollars. Kolinsky furs to about the same amount as dogskins are sent. Then there are numerous other kinds of skins which bring the total between fifteen and twenty million dollars of Chinese skins sent to America annually. All these figures are gold.

Goatskins

Goatskins and various kinds of hides are sent from China to the United States to a yearly value of about eight million dollars. Shelled peanuts alone account for a million and three quarters. Chinese peanuts and bean oil, not to mention other kinds of oil, in themselves overshadow tea as an export from China to the United States. Tea exports from China to the United States last year were in the neighborhood of three million dollars. The export of peanut oil and bean oil amounted to more than that.

Let us now return to the matter of American goods coming to China. We have already discussed the two major items, tobacco (including cigarettes) and petroleum products. China is a customer, but only to a very limited extent, for American cotton. True it is that the import of American cotton into China in a year hovers around six million dollars. This, however, is a mere fleabite as compared with the export of American cotton to Japan which amounts to G$120,000,000 a year. Incidentally it may be mentioned that America's total cotton export for a year amounts to over a billion dollars. American cotton on the whole is of too good a quality for Chinese use. China uses largely its own product, supplemented by imports from India.

An investigation of America's export statistics reveals some points as regards the trade with China that rather upset the popular view. For example, under the heading of "Chemicals and allied products" America sold more to China than under the heading, "Machinery and vehicles," and

almost as much as under the heading "Wood and paper." Despite the fact that Germany's chemical industry was considerably hurt by the great war that country is still a great factor in the world's chemical export trade. But the important thing to remember is that since the war America has come up wonderfully in the chemical industry, and China is now an annual customer for American chemical products for more than five million dollars. The principal item under this head is indigo paste, in which Germany still leads as a supplier to China, but with America close at her heels.

Under the heading of "Machinery and vehicles" come, of course, motor cars and motor trucks. Despite the fact that America has long since outdistanced all other countries in this line the trade with China is relatively inconsequential, something in the neighborhood of a million and a half dollars a year. Under this heading also come railway cars and locomotives. America also made a good showing in this respect, all the more to be remarked in view of the fact that America has no financial interest in any of the Chinese Government railways. The unfortunate fact to be noted in this connection is that a large amount of railway supplies furnished to the Chinese railways has never been paid for, and the prospect of ever securing payment is at the moment more remote than ever. Just in passing it may be mentioned that the only American-equipped railway in "China" is the Japanese-owned South Manchuria railway.

Cosmetics and Perfumery

One of the results of the war was that American manufacturers began to investigate France's lead in the matter of perfumes, cosmetics and the like. An anecdote is told of a German traveller in South Africa who was beaming all over his face was that he "found out that the stinkier his perfumes were the better the Africans liked them." That is not the case in China, but American manufacturers (and incidentally Japanese) have gone in for making perfumes and cosmetics of a somewhat cheaper grade than the French, and making them ever so much cheaper by quantity production methods than the French can produce them with their individualistic methods. America has found in China, as in many other countries, quite a good market. The figures are nothing extraordinary, but it is interesting to note that Chinese used in 1925 American cosmetics to a value of Gold $132,617, dentifrices to a value of G$118,375 and toilet soaps to a value of G$164,535.

The introduction of these toilet articles was largely the result of good salesmanship. The increasing consumption of American food products in China is also largely the result of adapting American sales methods to this country although as regards flour and wheat it is to be noted that the Chinese demand was largely caused by the fact that in recent years rice has been steadily increasing in price.

There are of course many other articles of American origin which figure largely in China's import trade. Lumber, particularly Oregon pine, has had for many years, and will continue to have, a good market in China. Siberian lumber is theoretically nearer but the cost of getting it to seaboard under existing conditions prevents it from being a very serious competitor for the American product. American tinplate has in recent year also made great strides forward.

It has not been the intention of this article, however, to specify in detail all the articles entering into the trade between China and America. It has rather been the purpose to point out the more distinctive items, and to stress the fact that China is more important to America as a source of supply for its needs than America is to China. However, with the gradual increase in the standard of living in China America will have a much better chance in the coming years to introduce articles which are now scarcely salable here. In the meantime, however, America's trade balance in China remains considerably on the wrong side.

Mr. Eugene Chen When He was an Editor

The following by Mr. E. M. Gull, former Secretary of the British Chamber of Commerce in Shanghai, appeared in a recent issue of London Daily Telegraph:

AN interesting light is thrown on the personality and aims of Mr. Eugene Chen, the Cantonese leader, by Mr. E. M. Gull, late secretary of the Associated British Chambers of Commerce in China and Hongkong. He has spent twenty years in China.

"My first recollection of Mr. Chen is of a voluble talker with inkstained fingers and long, dishevelled hair, who at that time—1916—was editing a paper called the "Peking Gazette," said Mr. Gull in an interview with a representative of The London Daily Telegraph. "Very hard he worked at it, too, living, eating, and sleeping amongst his files. He spoke English perfectly, and wrote it with a certain Macaulay-like pomposity. By this time, no doubt, he has acquired a good working knowledge of his own language, which, of course, he could talk in its Cantonese form when I first met him, but which, it was commonly said, he could not read. His career has been a varied and very uncertain one. He does not really step into the picture until 1925 as Foreign Minister of the Cantonese Government.

"The contrast between the rather sketchy, volatile journalist and the solid, sedate man of affairs into which he has grown is very striking. When I met him last October he had become very much more circumspect in appearance, and although still voluble, he was more direct in his talk. Indeed, his directness took one's breath away. He used the words—'I warn you,' and went on to say that there was going to be more serious trouble on the Yangtse than there had been before. When I suggested to him in the most guarded way that the Cantonese might succeed in annoying the British Empire he not merely affected most complete indifference, but was at no pains to conceal his belief that in so unfortunate an event things might go rather badly with the British Empire.

"Unquestionably Genuine"

"I do not want to give you the impression that Chen is merely bombastic and nothing more. He is unquestionably genuine—he is animated by a thoroughly sincere desire for better government in China, and he is dominated by the conception of a reorganized China, free from foreign tutelage in any form and recognized as an equal amongst equals. He has enthusiasm, self-sacrifice, fire—and his life is daily and hourly given to the realization of his great conception. There is no doubt that he inspires the Chinese with whom he comes in contact. You must remember, however, that many of the Chinese with whom he comes into the closest touch are very different both in quality and outlook from the vast majority of Chinese, and in particular from the big military leaders and their subordinates."

Mr. Gull proceeded to draw an interesting contrast between Mr. Chen and Mr. Chang Chung-chang (the ruler of Shantung, and a very prominent personality amongst the northern soldiers.) A man not unlike the late Earl Kitchener in stature and bearing, "Chang Chung-chang makes Eugene Chen look a Westernised dilettante, likely to be blown into the next room by Chang's guffaw. Nobody fears Chen as an individual, only in so far as he represents an organization. But even if the northerner were only captain of a troop or were an outlaw, most Chinese would fear him for his cruelty. If Chang does not get what he wants some scapegoat pays with his life. The real China—the China of the centuries—is, nevertheless, much more represented by Chang Chung-chang than by Eugene Chen. They are extreme types. There are a great many Chinese who regard a man like Chang Chung-chang with detestation, springing from fear and contempt, prompted by an innate respect for culture."

Mr. Gull referred to one of the great Chinese classics, "The Three Kingdoms," which is read and re-read, and is a story crammed with intrigue, cruelties, and evidences of bloodthirstiness. It gives a remarkable idea of the Chinese mind, and in it—incredible as it may seem, since it is a story of the third century—one has set before him what has been happening in China for the last 10 years.

Chen Versus Chang

Which of these two types—Chang or Chen—was going to have the greatest say in the future? "When I say Chen, I am taking a very long view and not speaking of the present at all," Mr. Gull observed. "But I believe it is the more subtle, progressive mind that will control the China of the future. Last October, when I had a three hours' talk with Chen, I

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Country Contacts in China

THERE was a picturesque throng on the platforms of the Hsichimen station, for the information had been bruited abroad not only that the Kalgan-Mongolian Express would go today, but also that it would start on time. This was a matter of much import to many persons who had been waiting for some days to get out of Peking to various "points west" and here they all were, with luggage of every conceivable description and attired in strange and wonderful garments against a cold that would become even more bitter as progress was made toward the north and west.

The train came up to the platform, where many had been waiting for hours. It was something unique in trains, though it was drawn by a huge American locomotive, scarred and wasted by time and neglect and militarism. Immediately behind it were attached several armored luggage vans, then the "first-class" carriage.

Here was a relic of former glories indeed. Once a fine and comfortable compartment affair, it was now devoid of paint and most of its window glass, dusty inside and out, and withal so drab and comfortless that the second-class seemed far preferable. Yet this proved to be but the forward half of the next carriage and a wild scramble now ensued with seats in it as the objective.

In this but few were successful and the rest, whatever price their tickets, were compelled to take refuge in the remainder of the train, the third-class, whose carriages ranged all the way from something resembling the fourthclass on a German railway to a decrepit goods wagon.

But what mattered all that? Here once more was, perhaps, adventure; and that only a meager three Europeans were on hand to participate in it merely indicated the wholly unnecessary timidity of the others, who would liked to have gone but who "did not dare." And so, with rattle, a few bangs, much whistling, the emission of clouds of steam and such a verbal noise as only a Chinese crowd can make, we were off to destinations wholly uncertain upon a journey fraught with many zestful possibilities.

Half the passengers at least were men of Chang Tso-lin's force. The higher officers, some of whom were most distinctly Russians of Siberian extraction, occupied the dismal first-class, the demands of "face" admitting of no deviation from the best, though it were the best in name alone. Petty officers and Chinese merchants and traveling men packed themselves into the limited second-class space, while a throng as odd and picturesque as anything one would encounter the world over clamored in a dozen dialects in the third-class.

Nothing untoward occurred during the fifty-mile run to Nankou, my destination, and a surprising speed of somewhere about thirty miles an hour was maintained. And presently I stood on the platform at this small Chinese town and watched the Kalgan-Mongolian Express disappear in the distance, into the vast west where dimly there arose the great, snow-capped mountains which mark the boundaries of Mongolia.

The train having passed from sight I looked about me. No European was anywhere in sight, but a throng of Chinese, old and young, had clustered about me, with frank curiosity edging closer and closer. I had been told in Peking that here at Nankou there was a small hotel of sorts, and now it was tiffin time and past and I began to cast about for it.

Ah, sure enough! there at the far end of the platform suggestive of a railway town in Nebraska, there was a large sign, "Railway Hotel." Rapidly in its direction I set out, followed by most of the throng.

But only dismay awaited me. For presently my way was barred by half a dozen gray-uniformed soldiers. And, behold! the "Railway Hotel" was now the headquarters of their commander, General Somebody-or-Other. And so here I was, in a pretty fix indeed, friendless and hotelless, surrounded by Orientals, with never a European within fifty miles, and the time—or date—of the next train back to Peking entirely in the hands of fate!

Such I reflected as I gazed somewhat hopelessly about is the lot of the person who scorns "plans" for more than a day at a time. Well, then, he must assuredly take with good grace whatever his unconsidered future lays before him. And with that I commenced an aimless stroll about the little town, ever the object of avid curiosity, followed by children, barked at by dogs, brayed at by donkeys, and eyed with some suspicion by scores of grayclad soldliers.

In terms of military strategy, the position was far from satisfactory. Yet there somehow possessed me a perfect assurance that everything would yet be well.

And sure enough, there approached me presently a Chinese who spoke a word or two of English and who spoke them with a friendly smile. And between those and my equal number of Chinese—Peking dialect—acquaintance was established with a man who had been "Number One Boy," or something of the sort in the lost hotel. Nor did he fail to grasp, with quick Chinese discernment, the exigencies of the situation, leading me forthwith to his house and then expounding thus:

"Hard-boil eggs, you like? Can do. Maybe China bread, jam—maybe sardine. Can do?" The last an interrogation whether the menu, as outlined, found favor, I indicated fervently that it did, and immediate activity ensued. Boys were dispatched in a dozen directions and as much solicitude was shown for my comfort as if I had been a guest at the home of a Tahitian chief.

But the preparation of even so humble a meal was a prolonged affair, for the diminutive iron stove persisted in disregarding the provisions made for the disposal of its smoke and in emitting it all into the small room. Clearly it would be a matter of hours. In the mean time I went out and wandered about the near-by fields, where yet there remained the Kuominchun trenches and other evidences of Feng Yu-hsiang's futile endeavor to resist Chang Tso-lin's attack upon Nankuo not many months ago.

By and by when I had shown due appreciation of the modest fare provided by my hospitable Chinese friend the subject of the trip to the Great Wall was broached, for to see this had really brought me to Nankou. Said my host,

"You like sleep here tonight?" indicating one of the two rough bunks. "Tomollow, six' clock, take donkey, go Wall." I accepted without a moment's hesitation. "All light, can do. One piece donkey, one dolla'. Two piece donkey, two dolla'. One piece man, one dolla', me go, too, one dolla'." Four dollars—about one dollar, seventy-five cents, gold—for a long and hard journey with two donkeys and two men for an entire day!

"Tomollow, six' clock," now repeated my host, impressing upon me the necessity of an early start. "By-by tonight, more hard-boil eggs, you eat; then tomollow, six 'clock, more boil egg, China bread, jam, sardine; then we take 'long on donkey some more hard-boil—" Anyway, if I objected too much to monotony there was always plenty of Chinese food.

And so, here in this far place, among Chinese who were perfect strangers but who had rendered me succor in distress, provided me food, and relinquished to me the best part of their humble dwelling, I lay down and slept with as complete a feeling of security as I have done in the home of a South Sea native, assured in some indefinable fashion that these people were friends; being certain of it, in fact.

Before I dropped off to sleep my thought was that in many Occidental lands I could not have done this thing. And at intervals during the night my Chinese host or someone of his household came into the room to see that the fire was burning and to replenish it.

Once, thinking I might be insufficiently covered, the man of the house came and laid carefully over me another blanket not knowing that I had awakened and was aware of what he was doing. Yes, I think there is no exaggeration in the assertion that, here among these Chinese, far from a white man, I was yet among friends.

M. T. G. in *C. S. Monitor.*

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was again impressed with his great subtlety of intellect and of emotion. He has boundless confidence, considerable pluck, and is a very able fellow. Old China will not disappear before the exotic qualities of the modern Chinese student. On the other hand, many of its old characteristics will be modified or disappear. Always assuming that the Cantonese will get rid of the Bolshevik element—and they have not managed to do so yet—I think that the spirit of their movement will ultimately triumph in China. It does not appear to me to be sufficiently well realized that while as a nation of farmers, landowners, and tenants, the Chinese are not hopeful soil for Bolshevism, there are vast numbers of Chinese who live on the edge of things. The coolie classes are constantly recruited by the enormous suffering caused by cataclysms when hundreds of square miles are devastated at a time by flood and famine."

More Correspondents 'Telling the World' About Shanghai!

In a list of special correspondents for newspapers in the United States who are now in Shanghai, which was published in *The Review* on March 19, the names of three correspondents were unfortunately omitted. They are, George E. Sokolsky, New York *Evening Post* and Philadelphia *Public Ledger;* Stanley High, *Asia Magazine* and *Christian Science Monitor*; and Thomas F. Millard, *New York World* and *Nation*. Mr. Millard was formerly local correspondent in Shanghai for the New York *Times*, but has now taken over the correspondence for the *World*.

How The Nationalist Government Operates

The table presented herewith of how the Nationalist Government operates is reprinted from the *Hankow Herald*:

The organization is clearly drawn indicated in the plan. It will be seen from the diagram that the most important body in the Government is the Central Executive Committee. This Committee has the power to nominate and elect or to recall any or all members of the Political Council, the Standing Committee, the Military Council, the Committee of the Nationalist Government and the Government Ministries.

In the diagram are seen five Ministries, although only four have actually been elected. At the present time there is no Ministry of Labor, but since it has been announced by the Government that a Minister of Labor will shortly be appointed, this Ministry has been included.

PROVINCIAL, SPECIAL DISTRICTS, OVERSEAS CITIZENS ELECT THE

NATIONAL CONGRESS
of delegates of the Kuomintang elected once a year which elects

CENTRAL EXECUTIVE COMMITTEE
of 35
which meets every 3 months and which nominates and elects

POLITICAL COUNCIL
of
15 members

9 being the standing committee and
6 additional

STANDING COMMITTEE
of
Central Executive Committee
of
9 members

MILITARY COUNCIL
of
16 members

9 military men
7 non-military

COMMITTEE
of Nationalist Government
28 members

who handle all affairs not directly in hands of ministries and in which a Standing Committee of 5 has been appointed.

MINISTRY
of Nationalist Government
5 members

1. **foreign affairs**
2. **justice**
3. **finance**
4. **communications**
5. **labor (not yet)**

The Platform of The Kuomintang Party in Chekiang.

BY WANG I-TING.

THE eyes of the whole world are now on China—to witness the success of the Kuomintang party. When the late Dr. Sun Yat-sen, the Moses of China, organised the Party forty years ago, few visualized the influence it wields today. There are now approximately 1,000,000 Kuomintang members in China, most of them are laborers and farmers. In Ningpo City alone, there are 800. Within a short period of ten months, the Nationalist Army has conquered fourteen out of the eighteen provinces in China: Kwangtung, Kwangsi, Yunnan, Kweichow, Szechuen, Hupeh, Hunan, Kiangsi, Fukien, Chekiang, Shensi, Kansu, large parts of Kiangsu and Anhwei. The other four provinces are expected to be conquered shortly.

Students of China should remember that there has been a nationalist movement in China since her successive defeats by foreign powers from 1842-1900. The 1900 Movement (Boxer Rebellion) was started by a group of people in Shantung, its success was for the benefit of Yehonala, then ruling China. The 1911 Revolution was a political one. It overthrew the Manchu dynasty, and instituted instead a republican form of government in name, but in practice a government by a few heros and *tuchuns*. But the revolution in which the Kuomintang members are engaged is social and in some respects socialistic. It is a revolution of, by, and for the proletariat. The following is a translation of the plan of the Kuomintang Party in Chekiang:

I. Military:

1. To unify all the forces in the province and give proper training in Party education.
2. Not to allow recruiting for any other army.
3. To disband all the police guards, To improve the local police and give proper training.
4. To disband all police guards (*pao-wei-dei*), and organize farmer-soldiers instead.
5. To fix definite rules to expel all *tufei*.

II. Political.

1. To concentrate the Kuomintang party powers in the province.
2. In conformity with the constitution of Central Inter-provincial joint Committee, to convene the provincial assembly, district assembly, and rural assembly.
3. All civil officials must have proper training in Kuomintang education.
4. To cooperate with the Nationalist Government, to open schools for training civil officials.
5. To establish honest provincial government. Corrupt officials that receive bribes shall be severely punished.
6. All officials that smoke (opium), gamble, and visit brothels shall be dismissed.
7. To check corrupt officials and prevent bad gentries from active participation and getting power. All those whose acts have been against the Kuomintang shall be permanently excluded from governmental employment.

8. To work out definite salary-scales for the judiciary and forbid them to practice extortion.
9. The district government should be on the committee system; duplicate institutions shall be abolished.
10. To improve the treatment in prisons and the treatment of criminals.
11. To protect liberty of speech, of association of the press, of the citizen.

III. Financial.

1. To unify all finance in the province; and assure that funds go into the provincial treasury.
2. That provincial treasury shall be subject to audit. No official can alter for his own benefit the budget once passed and approved by the provincial government.
3. The military expenditure in the province shall not exceed one third of its revenue.
4. To re-assess *likin* rates; to abandon all heavy taxes such as salt gabelle and excise.
5. To abolish the extortion of money for military use, and the practice of advancing tribute.
6. To regulate the taxes on luxury, on income, and on inheritance.
7. To investigate and confiscate the property that belongs to people of the anti-Kuomintang party.
8. In conformity with the principles of the Foundation of the Nation the tax in the district be such as to enable the district government to develop its own affairs.
9. To organise the provincial financial committee so as settle all financial matters.
10. All districts and villages should organize finance auditing committees to audit public revenue.
11. To improve the salt industry. To abolish the monopoly of salt industry.

IV. Construction.

1. Local governments of Hangchow and Ningpo should soon be organised.
2. To reinstate the foreign debts of the Shanghai-Hangchow Railway.
3. To finish the orginally-planned Kiangsu-Chekiang railway lines.
4. To encourage the building of public roads.
5. To deepen canals.
6. To build quickly the branch line Tsao-ngo-Shaohsing-Shao-shan.
7. To promote agriculture and forestry.
8. To reconstruct soon the San-meng-wan.
9. To establish public recreation places.

V. Educational.

1. To fix the principles of Kuomintang education for schools.
2. To apportion funds for the schools in the province. That funds cannot be transfered to other items of expenditure.
3. To increase gradually the educational funds until it reaches to 20% of the revenue.
4. To open primary schools for children.
5. To strengthen the former middle schools. Change gradually private schools into provincial schools.
6. To raise the standard of education for women and increase the number of girls' schools.
7. To open universities, soon.
8. To redeem all mission schools and change them into provincial institutions.
9. To encourage military education and peoples' schools.
10. To close all poorly managed private schools.
11. To increase funds for primary schools.
12. To adopt the committee system in the middle schools.
13. To put all public libraries and auditoriums into the control of the Kuomintang.

VI. Laborers

1. To fix labor laws. To protect the freedom of association, strike, and to nullify all oppressive laws with special reference to working women and children.
2. To fix laborers association laws, and strengthen their organisations.
3. To limit the working hours not exceeding 54 hours per week.
4. To give full pay of wages on holidays.
5. To abolish piece-work systems.
6. To establish laws against dismissal, insurance laws against dismissal, sickness, and death.
7. To improve the housing conditions of laborers, also their sanitation.
8. To establish supplementary schools for laborers and schools for their children so as to give common knowledge and vocational education.
9. To encourage and help the laborer's consumption Corporation.

VII. For the Farmers

1. To decrease by 25% of the prevailing land tax paid by farmers.
2. In case of famine, to cut off land tax, and to abolish the advancing of land tax.
3. To establish farmers' banks in province, district, and village.
4. To confiscate the property of bad officials, and to put the confiscated property into the endowment fund of such farmers' bank.
5. To give freely barren lands that belong to the province to the poor farmers and encourage them to cultivate them.
6. To abolish the sale of land at high rates of interest. The rate of interest shall not exceed 16%.
7. The government should protect and relieve famine.
8. Every rural district should elect councils of its own to carry out its administrative affairs.
9. The government should protect the rights of the rura association.
10. The rural association has the freedom to organise rural guards.
11. To abolish the land-renting system (Pao Tien-tsu).

VIII. For the Businessmen.

1. To give assurance of safety in communication and travel.
2. To forbid the collecting of illegal sur-taxes.
3. To codify the regulations of the chamber of commerce.
4. To forbid manipulation by shrewd business men of the money market.
5. To decrease the borrowing rate of interest at the native banks.
6. To abolish special privileges and rights in the province.
7. To give toward the development of native industry.
8. To promote fishery and sea products.

IX. For the Women.

1. Women should have equal rights with men legally, politically, economically, and educationally.
2. Working women before delivery of child should be given two months vacation with full payment of wages.
3. Women to have the right to inherit property.
4. To grant to women absolute freedom in marriage and divorce.
5. To forbid women slavery, concubinage, and system of adopted daughter-in-law.
6. To forbid prostitution. To work out means to maintain former prostitutes.
7. To forbid sales of children.
8. To establish supplementary schools for women.
9. To forbid footbinding.
10. To forbid killing infant girls.

X. For the Students.

1. Students are to be allowed to subscribe to political party and social movements.
2. Students are allowed to take part in the administration of schools.
3. Schools below middle school grade should not charge tuition.
4. To improve the life and recreation of the students.
5. To do away with bad education and that which is anti-Kuomintang.

XI. For the Public-worker.

1. To put into effect an annual increase of salary.
2. Working bours should not exceed eight hours a day.
3. On Holidays he shall not do work. Every year he should be given one month or more vacation with full payment of salary.
4. To grant allowance for sickness and death.
5. Salary should be paid in full without arrears.
6. Employment over a certain period of years should be rewarded with gratuity.

XII. For the Community.

1. To abolish the Tung-shan-hu (Buddhist-Taoist Association) and similar nature associations, and confiscate their property.
2. To abolish all vicious temples and priesthoods.
3. To confiscate wholly or partially the property of the monasteries, temples, for the funds of public associations and rural associations.
4. To forbid young boys to enter monasteries.
5. To discontinue the practice of offering sacrifices to Confucius and Kwan-kong.
6. To abolish educational associations and chambers of commerces that have been manipulated by corrupted gentries.
7. To forbid gambling and lotteries.
8. To forbid the planting and sale of opium.
9. To forbid absolutely the exportation of rice. Violators shall be severely punished.

Opportunities for the Educated in the Interior

BY TSAO LIEN-EN

AMONG the almost innumerable problems which China is facing today following the influx of western culture and ideas as a result of foreign contact, is that of employment of young men and women with modern education. That problem is a serious one and it should be generally realized for it is generally true that the "nothing doing" intellectuals and the "educated-discontented" are always susceptible to mischief in any country. There are two ways of treating this subject, one is from the point of view of the civil authorities in control of administration, upon whom the onus of ameliorating the situation devolves. The other being from the standpoint of the youths themselves, in which phase the writer is chiefly concerned.

In the course of the past twenty years education along modern lines has been developed tremendously through the efforts of educational enthusiasts, notably Americans who have been wont to lecture in public halls and assemblies on the importance of general education. With the establishment of many schools by the government, private individuals and missionaries, China has made considerable headway in educating her millions; but the unfortunate part of the problem is that no equal advancement has been made in industry and commerce. The result has been unfortunate for the numerous graduates of schools including recipients of scholastic degrees have not been given appropriate positions, and in most cases not even any positions at all. One of the reasons attributed to this lack of positions is the non-development of the country. Appointments and talents must go hand in hand, an excess of either being equally detrimental to the welfare of a nation. In China today we have too many men who can work but too few jobs in which to locate them.

However, there are other reasons directly connected with this state of affairs, the one most discernible being the occupation of our civil services by foreigners. Of our governmental institutions, the Customs, Post Office, railways, and until recently the Salt Gabelle are comparatively the most important, but the senior posts are all occupied by British, French, Americans, Italians or subjects of minor Powers. The Chinese, however hard he works, however well educated he is, can not rise higher than the level of vice-Commissioner, this high position having been provided only recently. By bringing out this point the writer does not entertain any undue jealousy towards the foreign employees in these services, as there are treaties in black and white prescribing such privileges for foreign nationals, and it is only fair and right to observe the treaties until final revision is effected through diplomatic channels. Before such a step takes place China must work out her own remedies.

Anyone who has given a passing thought to the question of employment of our youths will be surprised to find that Shanghai alone harbors more than five hundred doctors (Ph. Ds. D. Scs. and similar titles) and several thousand of returned students from American and European universities, and the number of home graduates is still more amazing. The only places in which these young men seem to be interested are the big, flourishing coastal cities, but they fail to realise that prospects for them are poorest in these already too congested areas, where there is always an over-supply of talents. Two years ago a local university advertised in the papers for a professor of Chemistry, and as a result the Dean was wellnigh astounded to receive more than three hundred applications from specialists of this branch of science, most of them holders of brilliant doctor degrees. This instance is too illuminating itself to need further comment.

We shall now picture our home graduates. The inherent asset of the Chinese people is their fondness for learning, and with the realization of the importance of Occidental culture and thoughts the youths are thirsty for a modern education. It is interesting to note the yearly supply of college graduates from the universities. The Futan University and the Shanghai College during recent years have each conferred a hundred degrees and the number of degrees in other colleges compares favorably with these two. The question naturally arises: Are there enough appointments to be offered them? Decidedly not. Many have been driven to take positions as teachers, which they accept rather reluctantly, as they consciously know that the lot of *les professeurs* is the most miserable. Teaching, like preaching, is a distinct art, and the result of doing it under compulsion is disastrous. However, during recent years even the uncomfortable position of school teacher has become much less accessible, if not entirely unavailable. Consequently these young men are forced to become "gentlemen of leisure", but this gentle class of human beings have no footing in this practical world; it is no wonder therefore that quite a number of them have joined the Expeditionary Army.

The returned students have a still harder time, owing perhaps to their seemingly elevated status over their compatriots. When the writer was travelling in Annam, he came to know a certain returned student from France. This young man had been in a technical institution in France for eight years, and had also been working in a French factory for five years, a well-qualified mechanic in every respect. On returning to China a few years ago, he found the country had nothing for him to do. Through the introduction of a friend of his he went to Haiphong and now he is working in a French music store repairing pianos and organs, a little trade he picked up in France at random. And he told me that most of his friends, French-educated like himself, are not doing what they are trained for, and are having a difficult time. Of course it goes without saying that there are similar instances among returned students from America, England and Germany.

But such a phenomenon of total non-appropriation of talents should not exist in a country having twenty-one broad provinces with natural resources of every kind under ground and above ground. The question that must be put to every young man is "Why not get away into the interior?" The elder Chinese lacked the spirit of enterprise and adventure, but the present circumstances of the young men should have awakened it. There is a big field of opportunities for young men in the inner provinces of China; and with the modern education they have received and the superior intelligence they have acquired, they can always assist the inland people in various developments. When the writer was travelling in Huilichow and Ningyuen in Szechuen, he was asked by the city authorities and merchant bodies to help them instal electric plants, to erect machine shops and other mechanical devices. The magistrates, the city elders and the general public, however old and conservative their views are, all have respect for the young men who can render them assistance and advice. Anyone from the coastal towns travelling in these inland cities will at once realize his superiority above the general mass, and for this reason work can be secured much more easily and can certainly be done with more efficiency than in the big commercial centres.

It has been pointed out at times by men who have been to the interior on such missions as mine prospecting or other industrial enterprises that owing to arbitrary intervention on the part of military authorities work of a constructive character is a sheer impossibility. But this difficulty can be overcome by carrying out the enterprises in the forms of quasi-public corporations, or private corporations, with the pecuniary interests of the military chiefs taken in, *i. e.* to accept them as legal investors. Militarists after all are not all unreasonable beings, although certain tuchuns in the north have created a bad impression on the people. In the southern port of Szechuen several militarists have themselves initiated mining enterprises, working in conjunction with private citizens, and the work is being carried out very successfully.

At a time when there is a pressing demand for specialists in sundry developments in the interior, one regrets that there should be so many technically trained men in the seaports idling, or doing work which is not their specialty. Should I prepare a list of mining engineers returned from Europe and America, I think the number would total in the neighborhood of three or four hundred; but in more than ten mines I visited in Yunnan and Szechuen, I did not meet a single Western trained engineer. The method of mining used there is very primitive; it is not an exaggeration to say that our grand ancesters two or three thousand years ago took the silver and gold out of the earth just in the same way as people are doing it there now. Of course it is interesting to reflect how those clever methods of mining and smelting, however crude they are, were discovered so long ago, and passed through such an age of strict preservation that no improvements were allowed to be made.

The mining expert will be astonished to know the abundance of natural resources in Yunnan and Szechuen. There are gold, silver, copper, iron, tin, zinc, sulphur, antimony and what-not in the complete list of metals. We passed a place south of Armichow in Yunnan where all the surrounding mountains are coal. The people there do not use any method of mining; they just have to remove one foot deep of mud and there lies pure solid coal. They use a hammer and that is the only implement.

Besides mining there are a dozen other industrial pursuits in which ambitious young men can engage. The animal skins of the interior are yearly exported to foreign countries, where they are tanned and made into leather articles to be imported into China again and sold at good prices. There are persimmons, and oak-barks in all parts of the interior, and these usually can be obtained at a very low cost. It would be a successful industrial undertaking to establish a big tannery. By pointing out these possibilities the writer does not mean to say that there are absolutely no mines being

worked by modern methods or that there are no tanneries or other establishments. There are some but, their number is quite limited. The more of them there are the better the country will be developed.

Aside from these private enterprises, assistance may also be given to the provincial authorities to realise their earnest desire to facilitate communication in their provinces by building highways, motor roads for busses and railways, also steamship services where there is access to navigable water, Furthermore there are commercial possibilities of various kinds.

The question of capital, which is the chief factor in any enterprise, has not been touched upon in the previous paragraphs. This is not a very difficult problem in the interior, because it is easy to earn the confidence of the people, who are always honest, earnest to see their city grow, and have faith in each other.

It will not be out of place to mention a concrete instance in this connection. A friend of the writer's travelled with him in the interior and he is settling down in Talifu in Yunnan, where he will open a salt refinery, because the mineral salt in that province contains a certain chemical compound, which gives goitres to many people who consume it.

Education is also a big field for work in the interior. The average students in the remote cities from the capital of those provinces know very little about useful sciences. It will be a great blessing to the country if more young men will leave the sea-coast and settle down in the interior.

Shanghai, March 18, 1927.

Is the Heathen Chinee Peculiar?

(Editorial in "Collier's Weekly")

Remember that the Chinese are human.

Think of the Chinese as people, and not as remote, wild-eyed foreigners whose talk seems to be gibberish in good American ears, and you have a clue helpful in this time of world emergency.

We have a stake in China—a very big stake.

Our missionaries and our traders have been doing our work in China. China, vast, and populous and old, has been listening to our preachers, bargained with our business men, and finally come to certain conclusions about us. There lies the seed of the trouble.

As smart traders our fathers and grandfathers made good contracts for themelves, but possibly not so good for the Chinese.

You remember the dividing up of the spoils. The British as the leaders in foreign trade came first and took most, then the Russians, the Japanese, the Germans, the French and the Belgians and many other nations demanded shares in the loot.

Our government took no land, but otherwise we demanded treatment as favorable as that given any other nation. That was the origin of our "open door" policy.

When the tale was told various European governments and Japan had possession of the chief ports of China. Foreigners owned the railways and the mines.

Foreigners were a privileged class, having their own police and courts, and being immune from arrest by native officials. China had not even authority to make its own tariff laws.

In a word, much of China had a government of, by and for foreigners. The native was the underdog.

We have said that since the Chinese could not run their country in accordance with Western ideas they must permit better men to do the job. That rule is good so long as it works. Yet in America we say that self-government is sacred.

Every man and woman may be entitled to self-government, but even in this Republic precious few of us exercise the right.

In the rough business of life we keep little we are not strong enough and wise enough to hold.

So China was governed by us foreigners, and human nature being what it is we can be sure we did justice to ourselves first.

But also we started the Chinese thinking. The young men and women who went to American colleges, or to the schools and universities of Europe, applied our ideas to their country.

What they saw was inequality. The educated Chinese came to loathe the injustice of the foreigner's favored position, and the uneducated Chinese, like the uneducated men everywhere, hated the foreigners naturally.

Don't make the mistake of thinking that the Russian Communists have stirred up the entire mess.

China can be pacified when China gets justice.

Your missionaries will be safe in China and you will be able to get silk for your clothes and tea for drinking when the real grievances felt by the Chinese have been removed.

Gunboats and marines are necessary enough to safeguard life in a grave emergency, but we cannot rely forever on force. Think what you would want under similar circumstances and you will know as much as any statesman how to pacify China.

Shanghai Has Huge Pension List

In the budget for the current year issued during this week by the Shanghai Municipal Council appears the following schedule of Pensions and Gratuities, listed under the heading of "General Charges." It will probably occur to the reader that the Municipal Council is very liberal in the treatment of its employees, particularly after they have terminated their services. It is to be noted that the greater part of the amounts comes under the heading of "pensions," which are being paid yearly.

Pensions

	Taels
Fire Brigade.	
M. W. Pett, Ex-Chief Officer (£350)	2 800
H. F. O. Upton, Ex-Third Officer (£155)	1,240
Police Force.	
A. H. Aiers, Ex-Superintendent	1,960
J. Bourke, Ex-Superintendent	1,910
J. Cruickshank, Ex-Superintendent	1,890
T. Elliott, Ex-Inspector (£106)	420
*E. W. Everson, Ex-Inspector (£500)	4,000
M. J. Gibson, Ex-Inspector (Tls. 723)	500
W. H. Howell, Ex-Chief Inspector	1,120
G. Johnston, Ex-Inspector	1,270
W. R. Kinipple, Ex-Superintendent (Tls. 1,133)	90
E. H. Lynch, Ex-Chief Inspector	1,410
*K. J. McEuen, Ex-Commissioner (£1,500)	12,000
J. McGregor, Ex-Chief Inspector (£143)	30
T. I. Vaughan, Ex-Superintendent (Tls. 1,443)	1,080
T. M. Wilson, Ex-Superintendent	1,830
*May 30 incident	
Health Department.	
C. Champion, Ex-Inspector	930
Miss A. Harding, Ex-Nurse	850
C. Houghton, Ex-Inspector (£99)	790
Miss M. M. Murphy, Ex-Matron (Tls. 1,566)	1,350
Dr. A. Stanley, Ex-Commissioner (£500)	4,000
W. J. Terrill, Ex-Chief Inspector	1,490
Miss L. Williams, Ex-Nurse (£250)	2,000
Public Works Department.	
A. Diercking, Ex-Accountant	1,900
C. H. Godfrey, Ex-Commissioner (£380)	3,040
W. A. B. Leach, Ex-Clerk of Works (Tls. 1,342)	1,230
M. MacLennan, Ex-Inspector	1,060
H. Schultz, Ex-Custodian, Town Hall	600
T. Thurnheer, Ex-Sub-Accountant	1,650
R. C. Turner, Ex-Architect	1,990
Electricity Department.	
A. H. Blagden, Ex-Deputy Engineer-in-Chief and Manager (£300)	2,400
P. B. Critchley, Ex-Mechanical Assistant (Tls. 1,138)	620
W. F. Dearn, Ex-Assistant Installation Inspector	1,000
Widow of the late T. Moodie, Ex-Charge Engineer (£150)	1,200
Educational Department.	
Miss M. C. Cardwell, Ex-Assistant Mistress	680
Miss E. H. Mayhew, Ex-Headmistress	2,320
Miss J. Patterson, Ex-Headmistress (£147)	1,180
Revenue Office.	
G. E. Marshall, Ex-Collector	910
F. A. Sampson, Ex-Assistant Commissioner (Tls. 3,114)	2,080
Miscellaneous.	
Widow of the late G. M. Hart	200
Gratuities	
E. S. B. Rowe, Ex-Secretary	20,160
Widow of the late R. R. Crook, Ex-Park-keeper	2,760
Taels	91,940

(A tael is about U. S. $0.60)

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News from South China

General Li Tsai-hsin, General officer Commanding the Troops in Canton, has intimated to his friends that he is not departing from his alliance with General Chiang Kai-shek. Some "Reds" are trying to make the public think that General Li is with them in opposing the moderates.

The Canton Ministry of Finance is now having a conference with 43 district magistrates or their delegates, and they are being instructed to do their best to raise $10 000 000 within the next two months for funding the Northern Expedition now in progress. The acting Minister of Finance, Dr. H. H. Kung, a brother-in-law of Madame Sun Yat-sen and Mr. T. V. Soong, told the magistrates that the present revenue of Canton amounts to but a little over $60,000,000. but that the French, having a population of about the same as that of Kwangtung, are able to contribute $500,000,000 or more a year.

Recruits for the new Kwangtung Local Defence Army, a unit to be of 12,000 strong, are arriving at Canton daily from Kwangsi and Southern Districts of Kwangtung, where many of the inhabitants are glad to be enlisted in order to escape the starvation facing them. Most of the recruits are seen in rags, and many thinking Chinese are asking what will become of these men when the local war-chest is not sufficient to provide for their food and clothing.

The teaching staff of Canton Christian College, known now in Canton as Lingnan University, are not to join the Officers Union of the institution to demend for higher wages. Should the officers, employees other than teachers, declare a strike, the class work would not be affected, it is believed. The Americans still in charge of the College have no objection in increasing the pay of the officers other than teachers but the Chinese Board of Trustees to succeed the American management will have to provide for the additional cost of administration.

The military expenses of the Canton Army engaged in war against the "anti-Reds" amounted to only $42,000,000 for the five months from July to November, 1926, according to an official statement, but the casualty list numbered more than 30,000 names.

District magistrates of Kwangtung Province, in conference at Canton on financial matters, have rejected the proposition advanced by Mr. Sun Fo, Commissioner of Reconstruction, to levy a surtax on farm lands for road building purposes. The surtax suggested is 50 cents a *mow* for farm land. The magistrates contend that the people are now carrying more burdens than they can possibly bear. The Kuomintang Party is asking for $10,000,000 from the districts within the next two months.

Unable to satisfy the extremists section of the comrades in the Kuomintang whose activities against the "imperialists" and "capitalists" have failed to gain whole-hearted support of the party leaders in the Southern Capital, Mr. Chen Fu-mu, a Communist, has resigned his Commission in the Bureau of Agriculture and Labor. He is expected by his more influential comrades at Hankow shortly, it is understood.

Complaints from the District Executive Committee of the Kuomintang in Waichow, well-known at one time as the stronghold of the anti-Red leader General Chen Chiung-ming, indicate that the military authorities there are not sympathetic with the Peasants Corps, a "Red" militia body affiliated with the Third International Movement. The military forces defending the district have been acting as some sort of deliverers trying to save the unarmed farmers and villagers from the persecution of terrorists operating as bandits and pirates behind the Red standard.

Kuomintang authorities, says a Chinese press agency report, are preparing to revise all agreements China has entered into for the landing and transmission of telegraphs and cables with foreign companies or countries.

According to a ruling of the Kuomintang Executive Committee in Canton, union leaders have the privilege of contesting the claim of an employer who says that his business is sufficiently bad to warrant the reduction of an employee or employees. The Kuomintang authorities will have plenty to do, as the question of whether or not a business concern may dismiss a *foki* is subject to party review.

A report on the financial condition of the Chinese Section of the Canton-Kowloon Railroad during the anti-British boycott when no river steamers were able to run freely between the forts of Canton and Hongkong (June, 1925—October, 1926) shows that sometimes as high as $10,000 was collected in a day.

Discharged workers of the Nanyang Brothers Tobacco Company arriving at Canton from Hongkong have asked of the Seamen's Union not to man vessels carrying goods for

(*Continued on page 165*)

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Exit the Military Phase—Enter the Political Phase!

BY J. B. P.

The Nationalist forces have now obtained undisputed military control of all China with the exception of Chihli and Shantung provinces of China proper and Manchuria. Two other provinces remain independent, Shansi and Yunnan, but both are leaning toward the Nationalists, hence it is correct to state that all China has gone nationalist with the exception of Chihli and Shantung and Manchuria, but even here the sentiment among the people is all on the side of Nationalism and it is possible that the power of Marshal Chang Tso-ling in these three remaining areas will be broken before many weeks. The exodus of foreigners from those areas very plainly indicates the trend of events, the foreigners very naturally fearing a repetition of events similar to what has taken place at Hankow, Kiukiang and Nanking.

Now Enters the Political Stage

The passing of the military phase of the Nationalist campaign has naturally been followed by the political phase. for it was inevitable that disorder and conflict would develop within the ranks of the Kuomintang immediately following the conclusion of the military campaigns. As a matter of fact the Nationalists have been greatly embarassed because the military campaign went over too fast, entirely too fast for the Nationalists to be able to consolidate themselves in the territory occupied. And if Marshal Chang Tso-ling's Ankuochun forces crumble up without a fight as now seems possible, it is quite likely that serious disorder may develop in North China before the Nationalists are able to establish themselves in that area. Hence the action of the foreigners in getting out is based upon sound sense and there is sincere hope that they will all get out before the storm breaks, both from the standpoint of personal safety and also from the standpoint of preventing further complications between China and the Powers.

The Fight in the Kuomintang

The Kuomintang, like all political parties, is made up of all sorts of people and creeds. Dr. Sun Yat-sen, the father of the Kuomintang was a political dreamer, largely impractical, who thought at first that China could be won over to republicanism by oratory and pamphleteering but he discovered immediately after the overthrow of the Manchus in 1911, that it would take more than republican oratory to make China a republic in fact as well as in name, hence his final and reluctant decision to adopt military means. As the Kuomintang grew it naturally attracted to itself all kinds of elements, students, laborers, communists, overseas Chinese, merchants and whatnot. After the military campaign got started in earnest it was not difficult to keep these various and often discordant elements quiet, but once the military phase had passed the peak, it was inevitable that politics should become the dominant phase of the revolutionary movement.

Effect of the Passing of Sun Yat-sen

Everybody now realizes or should, that Dr. Sun Yat-sen, has become a thousand times more powerful since his death than he was alive, but Sun's passing has had an unfortunate effect on his party because there had not as yet been developed a leader capable of filling the shoes of Dr. Sun. Had Sun lived, it is possible that he might have been able to hold the Kuomintang together, but Sun is dead and only his spirit lives. Throughout Nationalist territories Sun Yat-sen is being deified and at most public gatherings his last will is being read as the opening ceremony.

The most difficult problem in the Kuomintang is that of the socalled "C. P." or Communist Party faction. This group which is closely affiliated with the Soviet, is firmly convinced that the only way to solve China's domestic and external problems is to have a complete revolution that would turn the country upside down force all foreigners out, abrogate all treaties and so on. And since the Communist faction is well organized, it is able to dominate the situation and to make a noise that is out of all proportion to the actual numbers of the faction. The more radical students and the laborers are largely with the Communist wing.

The Chinese merchants, however, and the military officers in the Kuomintang, as well as the older classes of returned students, particularly those who were educated in the United States and Japan, are affiliated with the more conservative wing of the Kuomintang and are absolutely against the Communist or extreme left faction. These people constitute the so-called 'left' faction of the party and the fight now is between the Communists or 'extreme lefts' and the 'lefts,' the extreme conservatives or 'rights' being almost entirely out of the picture.

The Return of Wang Ching-wei

The most important development on the side of a unifying element in the Kuomintang has been the return of Wang Ching-wei, prominent Kuomintangist who has been abroad for several years. A biographical sketch of Dr. Wang appeared in last week's issue of *The Review*, heace it is unnecessary to retell the story of his life, but Wang shortly following the 1911 revolution went to France where he resided until last year when he returned and was appointed chairman of the Central Executive Committee of the Kuomintang. Recently, upon the urgent request of Gen. Chiang Kai-shek, commander-in-chief of the Nationalist Military forces,he came to Shanghai and although he has been here but a few days, he has worked strenuously to prevent an actual break in the ranks of the party. He has spent many hours in conference with Chiang Kai-shek and also with Chen Toa-hsiu, leader of the Communist faction, and in each case statements of a conciliatory nature have been given out, but it is yet too early to determine whether he will be successful in composing the vital differences which exist in regard to party policy. Wang's coming has undoubtedly had the effect of causing the radical factions in Hankow to withold a mandate which was in preparation to dismiss Gen. Chiang Kai-shek from office entirely, or at least to reduce him to the status of a divisional commander. The trend against Gen. Chiang Kai-shek has been evidenced in the numerous labor demonstrations against him in Hankow, Shanghai, Nanking, Hangchow and elsewhere. In some cases Gen. Chiang's troops have taken strong measures to suppress the Communist and labor factions, but in other places he has been unable to overcome them. Here at Shanghai the situation as yet seems to be at a deadlock for the Chinese laborers have armed themselves and have been able to defy Gen. Chiang. As these lines are written Gen. Chiang has been ordered to Nanking.

The Northern Military Campaign

The most significant development in the military field has been the announcement of the mobilization of the armies of Feng Yu-hsiang, the 'Christian General.' There have been rumors that Feng was again coming to life after his long hibernation in Kansu and Shensi provinces and his forces had even moved into positions on the border of Kansu, but now he is definitely on the warpath again and it will be Feng Yu-hsiang who in all probability will assume the chief burden of driving Chang Tso-ling and his Ankuochun or Chihli-Fengtien faction out of Chihli and Shantung provinces. The Nationalist armies are already advancing northward against Gen. Chang Chung-chang in Shantung province and probably have reached direct contact with Chang's forces at Hsuchowfu, the strategic point at the junction of the Tientsin-Pukow and Lung-Hai Railways in Northern Kiangsu. This will keep Chang Chung-chang occupied and thus will leave the field more or less open for Feng Yu-hsiang to descend on Peking from the North by way of Paotochen and Kalgan along the Peking-Suiyuan Railway and also for the advance of the other Nationalist army from Hankow under Gen. Tang Shen-tse, who is driving north into Honan and is being assisted by the armies formerly under Wu Pei-fu in Honan which are now commanded by Gen. Chin Yun-so.

To complete the story reference should be made to the rumors of a possible alliance between Chang Tso-ling and Chiang Kai-shek, but Chiang Kai-shek has strenuously denied all allegations of such a combination. But on the other hand there is said to be some evidence of a potential alliance between Gen. Tang Shen-tse at Hankow and Gen. Chang Hsueh-liang, son of Chang Tso-ling, but again this is nothing more than rumor.

The Financial Phase Also Enters

As a sort of postscript it is of interest to note that the Shanghai Chinese Bankers Association on April 4 made a loan of $3,000,000 to Gen. Chiang Kai-shek on the security of the Customs Surtax and there are rumors in circulation that a further loan of $7,000,000 is shortly to be advanced. These financial transactions are being handled through the offices of T. V. Soong, Minister of Finance of the Nationalist Government at Hankow, who is now in Shanghai and who has been authorized to reorganize the finances of Kiangsu and Chekiang provinces following the occupation of these areas by the Nationalist forces. In addition to the foregoing financial manifestation of the Nationalist victory, Mr. Soong has taken over the old Russo-Asiatic Bank located on the Shanghai Bund in close proximity to the Hongkong and Shanghai (British) Bank and the National City Bank (American) and according to report will shortly announce the formation of the Central Bank of China, which, according to report will be the official government bank of the Nationalist Government.

(Continued from page 163)

the Company. This means that goods belonging to this Company cannot be shipped on vessels having Chinese seamen. The workers turned against the Company because they were discharged early last February and unable to receive a compensation for returning to work in case the Company's factories resumed operation.

The extremists among the workers in Canton have opened an office within the headquarters of the Workers' Delegate Conference ("Red") requiring all actresses to join the Actresses Union, threatening to exclude all non-union show girls from employment. Those "Red" labor unions which are cooperating to refuse work to non-union actresses include the stage-hands, the seamen towing theatrical troupe, and property custodians of theatrical companies.

To prevent publication of reports hinting that there are splits between the "Red" and moderate wings within the Kuomintang Party, press censorship has been re-instituted in Canton City.

Since the capture of Hankow by the Canton Army, more than 233,000 workers have registered themselves with the several "Red" organizations founded by followers of the Soviet Mission, according to reports reaching Canton.

March 29 being the 16th anniversary of the Canton Revolution, a memorial service was held at the Cemetery at Yellow Flower Hill, where the 72 dead of the first battle were buried.

The Luen Yee Club of the Chinese Seamen's Union will pay special honor to Wei Tak at Yellow Flower Hill Cemetery, Canton, on March 29. Wei was the cabin boy who assassinated General Hung Shao-lin on board one of the *President* boats at Shanghai more than a year ago, General Hung being an "anti-Red" much hated by comrades of the late Dr. Sun Yat-sen. Wei Tak was one time a student of Queen's College at Hongkong and is being regarded as a Kuomintang hero. He committed suicide after having fatally wounded General Hung.

The Kuomintang Volunteer Corps, an armed organization of comrades engaged in civil service or party committees, has now a strength of nearly 1,500, according to a report. Many high party leaders have taken up military training under the auspices of the Corps.

The Judicial Commission in Canton has issued an order forbidding labor unions and other organization to interfere with court proceedings. It has been the practice of labor unions and Kuomintang clubs to force decisions in their favor by surrounding court houses and refusing to withdraw until their demands are granted.

Certain sections of Chinese in Canton are considering a protest against the action of British Naval and Police Authorities who on March 23, with gunboats from Hongkong, made a raid on Bias and Mirs Bays, Chinese territory near Hongkong, alleged to be pirate haunts, deatroying three villages and a number of junks. The British expedition from Hongkong stated that this punishment was inflicted on the villages on account of repeated piracies of British ships by the inhabitants of the district and that, if any further piracies were committed by the inhabitants of that district, the punishment would be repeated.

The trial of the two remaining prisoners charged with complicity in the piracy of the China Navigation company steamer *Sunning*, while she was sailing from Amoy to Hongkong on November 15, 1926, was concluded in the Hongkong Supreme Court on March 24, when they were found guilty and sentenced to death. The six pirates tried some time ago were hanged early in March.

Canton, March 29, 1927.

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Men and Events

Thomas Steep, special correspondent for the New York *Herald-Tribune*, is ill at the Country Hospital.

J. Cheny, who has been sporting editor of the *Bulletin*, American paper in Manila, has arrived in Shanghai and has joined the editorial staff of *The China Courier*.

Mr. and Mrs. Lansing Hoyt, wife of the president of Hoyt & Co., Yangtsze river steamer agents, was a passenger for the United States on the s. s. *Empress of Canada* April 4.

John Kries, American Vice Consul at Shanghai, resumed his duties April 4 after having been absent from his office for several days as the result of a motor car accident.

M. M. Magill has returned to Shanghai from an extended tour of Europe and America and assumed charge of the retail store of the China-American Publishing Co., April 1.

Dr. E. W. Wallace, of the Christian Literature Society, accompanied by Mrs. Wallace, is departing shortly for Canada on leave. He hopes to be back in Shanghai next autumn.

L. E. Claypool, formerly connected with the Associated Press at San Francisco, and latterly transferred to Manila, arrived from the latter place several days ago and will stationed here as an associate of Glenn Babb.

Miss Lucille Douglas arrived back in Shanghai April 4 from Indo-China where she had been engaged in making a series of sketches for book illustrations. Miss Douglas was formerly connected with the *Shanghai Times*.

One of the effects of the enforcing of a curfew law in Shanghai is that instead of armed robbers committing their depredations at night by entering dwellings they now concentrate on holding up pedestrians in broad daylight.

Dr. Doremus Scudder, for many years pastor of Union Church, Honolulu and recently a resident of Boston, has arrived in Shanghai on a trip around the world. He is accompanied by Mrs. Scudder and they are staying at the Plaza Hotel.

The Rev. Clifford M. Drury, pastor of the Community Church, is planning to depart from Shanghai with Mrs. Drury and child, in July. Mr. Drury will spend several months in Scotland in special theological study and then proceed to America. A previous report that Mr. Drury had already departed from Shanghai is incorrect.

The American Crusiers Richmond and Marblehead arrived in Shanghai on Sunday, April 3, from Honolulu where they have been standing by for some time in expectation of service in China. The Crusier Cincinnatti, also from Honolulu was scheduled to arrive in Shanghai later in the week. The three ships carry a landing party of 500 Marines.

Wm. H. Patterson, formerly a resident of Shanghai, but recently manager in The Philippines for Wilcox-Hayes Company of Portland, returned to the United States on the Empress of Canada which passed through Shanghai last week. Mr. Patterson will be stationed either at the head office in Portland or in Vancouver. Mrs. Patterson and their child and Mrs. Patterson's mother also returned home with Mr. Patterson.

Strikes are matters of almost daily occurrence at the various cotton mills in Shanghai, regardless of whether they are Chinese, Japanese or British owned. When the labor union in the Doong Shing mill several days ago made a demand that only male workers, and no females, be employed, the management locked out all the employees. The labor union members now make a demand for the payment of $500 each or the payment of three years wages, as compensation for being locked out.

Striking workers of the Commercial Press, the largest printing establishment in China and as large as any in New York City, recently made a Chinese detective against whom they had a grudge, a prisoner. A party of workers had set Monday, April 4, as the date of his excecution. He was blindfolded and stood up against a wall and the firing squad was just getting into action when a message was handed in which caused them to desist from shooting. The detective was then led away unharmed but is still being kept a prisoner by his captors.

Dr. Manley O. Hudson, professor of international law at Harvard University and also a member of the Secretariat of the League of Nations, is in Shanghai making a special study of the subject of Extraterritoriality. Dr. Hudson is a graduate of the School of Law of the University of Missouri and for several years was a member of the faculty of the Missouri School of Law. He was one of the technical advisers to the American delegation at the Paris Peace Conference and since that time has conducted several important investigations on behalf of the League. Dr. Hudson is accompanied on his trip by Paige Monteagle, an attornery of San Francisco. They are staying at the Astor House Hotel.

From the Chinese Press

March 31—Reported that Nationalist Government at Hankow will demand in connection with the Shanghai question (1) that all foreign troops be withdrawn and (2) that the Concession be returned—Nationalist Government decides to definitely take over the government of the Wu-Han Municipality and establish a committee form of administration—Soviet Government addresses second note to Peking Government demanding that Russian interests be protected in the liquidation of the Russo-Asiatic Bank—Only three members remaining in Koo Cabinet, Gen. Chang Ching-hui and Pan Fu, but both are trying to resign—Gen. Chiang Kai-shek, in course of interview declares that the American action in participating in the Nanking bombardment is likely to injure American prestige in China—Quo Tai-chi formally assumes office as Comissioner of Foreign Affairs at Shanghai—Chiang Kai-shek appoints following members of Kiangsu Finance Committee: Yu Ya-ching, Chen Hui-tuh, Chien Yung-min, Woo Yoong-tsung, Wang Pei-chung, New Yung-chen, Chen Tai-tsai, Tsin Tsoo-tsun, Tang Chu, Koo Lu-kwei, Wang Shao-nai, Hsu Kuo an, Yang Hsin-fu, New Ya-tse, Tang Chi-tsang—Marshal Chang Tso-ling calls on Japanese Minister Yoshizawa at Peking and tries to obtain the help of the Japanese in raising money for financing Fengtien, especially in the collection of the Customs surtaxes—Japanese, British, French and American Ministers hold frequent meetings in Peking in connection with the Nanking incident, but have difficulty in reaching an agreement—Fengtien claims to be continuing to advance in Honan in the vicinity of Hsinyang-*Toho* report from Hankow states that the Communists have arrested 70 graduates of the Whampoa Military Academy who are supposed to be loyal to Chiang Kai-shek—Further rumors of serious split in ranks of Kuomintang with Tang Shen-tse supporting the Hankow faction against Chiang Kai-shek.

April 1—Situation continues to be worse at Hankow with pickets and laborers practically controlling situation and doing no work; Japanese seek shelter in Japanese Concession and most foreigners prepare to evacuate; Japanese send additional destroyer to Hankow—Japanese newspapermen interview Chiang Kai-shek and Chiang states again that he has no intention of attacking the Settlements and that in case the Nationalists are to blame for the Nanking incident he will assume full responsibility and pay damages—*Toho* reports that Chiang Kai-shek has sent a representative to the Japanese admiral at Shanghai to express regret for Nanking incident—Chinese troops at Nanking continue to fire on British river steamers and American destroyers—Practially all foreigners leave Wuhu—Reported that all Peking foreign Ministers have ordered the evacuation of their nationals from Nationalist territories—Chu Chao-hsin, China's delegate at Geneva informs journalists that China will make full amends for Nanking incident—Chinese commercial bodies at Shanghai send telegrams to Washington asking patience—*Kuo Wen* reports that Niu Yung-chien appointed director of Kiangnan Arsenal at Shanghai—Lin Hsun-lan, director of public safety bureau at Hankow arrested on charge of embezzlement of funds; Fan Ti-jen appointed his successor—Reported that Chang Tso-ling has definitely decided to defend the Lung-Hai Railway and is concentrating a large force at Hsuchowfu—*Kuo Wen* states that in view of difficulty in getting governments to act jointly that the Powers may decide to send separate notes to China on Nanking incident; French Minister already protested—T. V. Soong, Nationalist Minister of Finance arrives in Shanghai—Serious apprehension exists regarding conditions in Shantung and foreigners prepare to evacuate.

April 2-3—Yoshizawa, Japanese Minister in Peking, calls on Sir Miles Lampson, Britlsh Minister and suggests that Powers appoint Commission and ask Chinese to appoint members simultaneously for investigation of Nanking incident and when responsibility fixed to demand punishment of guilty, indemnities for dead and injured foreigners and guarantees against future incidents against foreigners—50 Japanese refugees come to Shanghai from Soochow—Sino-Japanese treaty conference holds 13th session and *Toho* reports that delegates in practical agreement excepting China's continued refusal to agree to inclusion of 'most favored nation' cause—Political Committee of Nationalist Government decides to change the name of National Southeastern University to 'Chungshan' University in honor of Sun Yat-sen—Northern forces retreating from Pukow to Hsuchowfu completely loot countryside, even taking cattle of farmers—Preparations being made in Nanking for reception of Gen. Chiang Kai-shek who will make his headquarters in the old Tupan's Yamem—Committee appointed by Nationalists to investigate Nanking incident departs from Shanghai—Chen Pao-yuan appointed by Nationalists

(*Continued on page VI*)

New Books of Interest in the Far East

Ask Me Another! The Question Book

Compiled by Justin Spafford and Lucien Esty with a preface by Robert Benchley.

The Viking Press, New York $1.50 U. S. Currency

In this age of questionnaires it is refreshing to discover one variety that is welcomed rather than *abhorred* The very title of the book tells the story. Robert Benchley's humorous preface refers to the instinct to which the book appeals, that of curiosity. The book contains thirty general quizzes of fifty questions each, testing the general information of the average as well as of the unusual men. The device of giving the score made by two prominent individuals on each quiz challenges the attention and the desire of the reader to attempt to equal or surpass the given scores. As an illustration, quiz number six gives the scores of Robert Sherwood, the writer, and John B. Watson the psychologist as 88 and 61. Among the questions are the following: "What is garlic?" "Who wrote Spoon River Anthology?" and "What product is advertised by the slogan 'What a whale of a difference a few cents make!'" The special quizzes cover the fields of Arts, Literature, Geography, Science, etc.

This volume provides stimulating and worth while parlor entertainment, and also makes an excellent supplementary device for stimulating home and school acquisition of general information.

E. J. A.

A History of Hawaii

By Ralph S. Kuykendall and Herbert E. Gregory. MacMillan Company, 1926

Most of us know that the Hawaiian Islands are a part of the United States and with this fact our knowledge ends. Perhaps an additional fact is known, viz., that Hawaiian pineapple comes from Hawaii. This volume, prepared under the direction of the Historical Commission of the Territory of Hawaii, though primarily a textbook for use in junior high schools of Hawaii prese[illegible] both interestingly and in an organized way the story of th[illegible]slands. Its use of questions and problems at the end of every chapter stimulates study while its preparation under the direction of the Historical Commission insures its reliability. It should be used at least for supplementary reading by all American schools in districts on the shores of the Pacific.

E. J. A.

Industrial Development in China

Problems of Industrial Development in China By Harold M. Vinacke. Princeton University Press, Princeton, 1926. pp. 205. Price G. $2.00.

This is not a Ph. D. thesis—the author is professor of political science in Miami University, Oxford, Ohio, U. S. A. Nor is it the first book by the writer; several years ago he published *Modern Constitutional Development in China*, a work considerably more valuable than the one under review This later volume is described by Professor Vinacke as a "preliminary study", which means that it is an approach to the problem rather than an analysis of the problem with complete presentation of facts. It is quite true, as the author remarks, that "political changes in China, and international relations in the Far East, which have centered in and around China, have tended to obscure and distract attention from the less dramatic economic movements which have been taking place since 1900. The regrettable thing, as relates to this volume, is that the writer has done little to penetrate the obscurity surrounding industrial development in China. There are six chapters dealing with the following topics: Industrial development in China, the Government and Industrial Progress, Governmental finance, Currency reform, the problem of communication, the organization of industry in China. Every one of these chapters is general in the extreme; in many places the observations made are trite and obvious. Three sources of information are drawn upon heavily, to wit: H. B. Morse's Trade and Administration of the Chinese Empire, The China Year Book, and J, Arnold's Commercial Handbook of China. For the elementary student and general reader Professor Vinacke's new book is well fitted; the serious student and the resident of the Far East will do much better to go to the sources cited by the author.

H. F. McNair

St. John's University Shanghai,

In the United States Court for China

In re Estate of STACY A. RANSOM, Deceased.

Cause No. 2908
Estate No. 647
NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of STACY A. RANSOM, deceased, to present the same with vouchers to the undersigned, on or before July 11, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

Stirling Fessenden
ADMINISTRATOR.
2 Kiukiang Road,
Shanghai, China.

It has ever been our aim to create a service so supremely beautiful, in surroundings of such complete harmony, that the sorrow of parting is in great measure alleviated. We accept entire responsibility at a time when one is in no mental state to assume it and we endeavour to meet the requirements of any family.

International Funeral Directors

71 Kiaochow Road, Shanghai.

West 6001 West 6002

The Report on

EXTRATERRITORIALITY

Copies of the Report of the International Commission which investigated the Practice of Extraterritoriality in China may be obtained by addressing The China Weekly Review, enclosing the sum of $1,00 to cover cost and postage.

The Report contains four sections as follows:

Part I.—Present Practice of Extraterritoriality in China.

Part II.—Laws and Judicial System of China.

Part III.—Administration of Justice in China.

Part IV.—Recommendations.

In addition there is an appendix containing the Declaration of the President of China to reform the laws and administration of justice; a summary of clauses from the treaties containing the Extraterritorial provisions; a list of modern Chinese courts and prisons and a report of the Committee which toured North and Central China investigating conditions.

THE CHINA WEEKLY REVIEW

4, Avenue Edward VII

Shanghai.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Mar. 12th.	Sale Price Mar. 17th.	Approx. Yield to Maturity Mar. 17th.
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108¾	108⅞	7.25
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	107	106	6.90
Republic of Chile S. F. Loan	7	Nov 1, 1942	100½	100⅛	7.00
Argentine Government Ext. S. F. Loan.....	6	May. 1, 1960	99	99¾	6.00
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	96½	96¼	7.30
Austrian Government S. F. Guaranteed Loan..	7	June 1, 1943	104½	104	6.60
French Government Ext. S. F. Loan.....	8	Sep. 15, 1945	100½	110	7.00
Japanese Govt. (£)	5	1907/1947	79¾	79½	6.90
German Governments S. F. Loan.....	7	Oct. 1, 1949	107¾	107¾	6.35
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	103	103	6.75
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	103	103	6.75
German General Electric Co. S.F. Loan....	7	Jan. 15, 1945	103¾	105	6.50
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	99	98½	6.60
Chicago Rapid Transit 1st. & Refunding Mtge.	6⅛	July 1, 1944	98	98½	6.65
Northern Ohio Power & Light Co. Debentures .	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100	101	7.40
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	100	100¼	7.00
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock	100	100	7.00
Victor Talking Manchine Company Cum. Prior..	7	Pfd. Stock	98¾	98¾	7.09
Willys Overland Co.....	7	Pfd. Stock	92	91	7.69

Shanghai Exchange for Week Ending Wednesday, April 6, 1927

By Maitland, Fearon and Brand

Exchange:—The prices of Bar Silver in London has continued to improve the pas week, today's quotations 25⅝d. forward are $\frac{5}{16}$d. above those ruling this day aast week. The official T/T rate on London has advanced to 2/6¼d., but actual business is during at $\frac{7}{8}$d. above the official quotation. The exchange market has ruled steady to firm owing to speculators continuing their selling operations, apart from this very little business is passing and the market is still very sensitive and easily influenced on political news and rumours The following ratef for Gold remittances are available at the close of the market, which is steady:—T/T London 2/7⅛d, New York 63, Yen 77½.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 78,064,000 an increase of Tls. 548,000

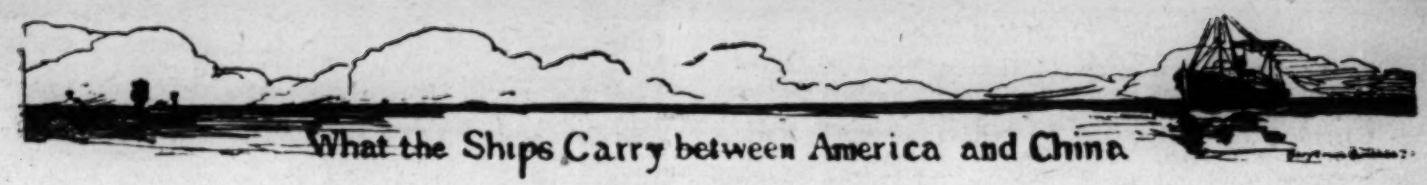
Chinese and Mexican Dollars.....$ 81,910,000 an increase of $ 1,360,000

Estimated value Tls. 137,039,000 as against Tls. 116,301,000 held at this time last year.

	Average rates for Mar.	Thursday Mar. 31	Friday April 1	Saturday April 2	Monday April 4	Tues. April 5	Wed. April 6
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/5.519	2/6¼ 2/6 5/16	2/6¼ 2/6 5/16	2/6¼ 2/6 5/16	2/6¼	2/6¼	2/6¼
D/Dfts ,,	—				2/6 5/16	2/6 5/16	2/6 5/16
4 m/s ,,	—	2/6½	2/6½	2/6½	2/6½	2/6½	2/6½
T/T India	163.991	168¼	168¼	168¼	168¼	168¼	168¼
T/T France	1.525.556	1560	1560	1560	1560	1560	1560
T/T N. Y.	59.782	61½	61¼	61¼	61⅛	61⅛	61¼
T/T Hamburg		258	258	258	258	258	258
T/T H'kong	81.019	81	81	80¾	80¾	80¾	80¾
T/T Japan	82.356	80	80	80	80	80	80
T/T Batavia	148.611	152¼	152¼	152¼	152½	152¼	152¼
T/T Straits	94.278	92	92	92	92	92	92
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/7.519	2/8¼	2/8¼	2/8¼	2/8¼	2/8¼	2/8¼
4 m/s ,, D/P	—	2/8⅜	2/8⅜	2/8⅜	2/8⅜	2/8⅜	2/8⅜
6 m/s ,, B/L Cred D/A	2/7.831	2/8 9/16	2/8 9/16	2/8 9/16	2/8 9/16	2/8 9/16	2/8 9/16
4 m/s B/F Cred D/A or D/P	1.655.556	1690	1690	1690	1690	1690	1690
4 m/s N.Y.Lc.	63.282	64⅜	64⅜	64⅜	64⅜	64⅜	64⅜
4 m/s ,, Docs	—	65¼	65¼	65¼	65¼	65¼	65¼

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Mar. 31	April 1	April 2	April 4	April 5	April 6
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/16	25⅞	26 1/16	26¼	26¼	26⅜
**New York Price of Bar Silver per oz. (Pure)	G. $.56¼	G. $. 55¾	G. $. 56½	G. $. 56½	G. $. 56½	G. $.57
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 386.40	381.30	377.20	382.20	378.40	375.20
Shanghai Silver Bars (weight Tls. 100(C.) 999 touch)	Tls. 111.00	111.00	111.00	111.00	111.00	111.00
Shanghai Mexican Dollars per $100.....	Tls. 72.825	72.8125	72.8625	73.0375	72.9875	72.975
Native Bank Rate of Interest (Call money).....	Nil	Nil	Nil	Nil	Nil	Nil
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 123.92
Bank of France rate of discount	5%	New York on London	T/T 485⅜
London open Market of Dis. 3 m/s	4⅛%	Bombay on London	T/T 1/5 7/16
,, 4 ,,	4⅛%	Hongkong on London	T/T 2/0
,, 6 ,,	4⅛%	Kobe on London	T/T 2/0⅛



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.41 equal Gold $1

PRESIDENT WILSON,
February 24.

To Boston.

Bristles	Pls.	59
Egg Albumen, Dried	,,	84
Feathers	,,	72
Hides, Buffalo	,,	281
Nutgalls	,,	420
Skins, Goat, Untanned	,,	472

To New York.

Tea, Black, Congou, Shanghai	,,	4
Tea, Green: Gunpowder, Ningpo	,,	232
Antimony Regulus	,,	2,520
Bristles	,,	150
Feathers	,,	98
Intestines, Pigs,' Salted	,,	13
Oil, Wood	,,	300
Skins, Goat, Untanned	,,	338
Tungsten Ore	,,	8
Wool, Sheep	,,	144
Carpets	Hk. Tls.	675

ARABIA MARU, Feb. 24.
From Canada.

Fish, Salt	Pls.	23,692

from U. S. A.

Fish, Salt	,,	2,474

SEINE MARU, February 24.
from U. S. A.

Wheat	Pls.	142,995

WEST NIGER, February 25.
from U. S. A.

Flour, Wheat	Pls.	1,470
Timber: Softwood, Ordinary Sawn	Sup. ft.	2,075,117

EDGEFIELD, February 25.
From U. S. A.

Cotton, Raw	Bls. 11,134 Pls.	30,738
Iron Bar Ends	,,	675
Iron, Galvanized: Wire Shorts	,,	861
Leadfoil & Tinfoil, Mixture,		1,027

ARABIA MARU, Feb. 25.
To Seattle.

Oil, Wood	Pls.	7,740
Carpets	Pcs.	24

To Chicago.

Silk Pongees, Honan	Pls.	8.74
Tea, Green: Young Hyson, Kiukiang	,,	36
Gunpowder, Ningpo	,,	176
Tea, Scented, other Ports	,,	15

To Scranton.

Silk, Raw, Steam Filature: White, Shanghai Bls. 5	Pls.	4.99

To Reading.

Silk, Raw, Steam Filature: Yellow Shanghai Bls. 20	,,	20.43

To Philadelphia.

Skins, Goat, Untanned	,,	319

To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai Bls. 5	,,	4.96
Yellow, Shanghai Bls. 25	,,	25.00

To New York.

Silk, Raw Steam Filature: White, Shanghai Bls. 45	Pls.	44.45
Yellow, Shanghai Bls. 5	,,	4.99
Silk Waste Cocoon Strippings: Shanghai Bls. 1	Pls.	1.10
Other Ports Bls. 2	,,	4.92
Silk, Raw Filature: Wild other Ports Bls. 60	,,	60.88
Skins, Dog	Pcs.	3,500
,, Kid	,,	1,777
,, Lamb	,,	519
,, Mole	,,	6,183
,, Raccoon	,,	173
,, Weasel	,,	1,000

To New Bedford

Silk, Waste: Shanghai Bls. 10	Pls.	30.71

WEST ISON, Feb. 28.
From Canada.

Fish, Herring, Salt	Pls.	3,442

from U. S. A.

Timber: Softwood, Ordinary, Rough Hewn	Snp. ft.	25,946
Softwood, Ordinary, Sawn	,,	1,947,139
Softwood, Ordinary, Merchantable	,,	364,777

PRESIDENT LINCOLN
February 28.
From U. S. A.

Antifriction Metal	Pls.	8
Lead, in Pigs	,,	1,682
Almonds	,,	8
Borax	,,	168
Butter	,,	23
Cotton Raw	Bls. 500 ,,	911
Canned Asparagus	,,	164
,, Fruits	,,	731
Leather, Sole	,,	818
Milk, Evaporated	,,	855
Oranges, Fresh	,,	53
Paper, Cardboard	,,	32
Raisins	,,	18
Sugar, Cube, White	,,	9
Tobacco, Leaf	,,	4,568
Coffee	Catties	600
Canned Fish	Doz.	1,448
Cigarettes	Mille	700
Lemons, Fresh	,,	133
Machinery	Hk. Tls.	24,910
Treasure: Silver Bars	,,	752,607

CITY OF BRISTOL, March 1.
To New York.

Skins, Goat, Untanned	Pcs.	133

MALAYAN PRINCE,
March 1.
from U. S. A.

Cotton Piece Goods, Yarndyed	Yds.	227
Cotton Goods, Unclassed	,,	2,551
Printed Crapes	,,	262
Cotton Yarn, Grey Counts over 45	Lbs.	8
Aluminium Foil	,,	234
,, Sheets and Plates	,,	531
Iron Nails,	,,	7
,, Pipe Fittings	,,	90
Leadfoil and Tinfoil	,,	535
Tinned Plates Plain	,,	2,482
,, ,, Old	,,	1,350
,, Scraps	,,	235
Cement	,,	15
Grease, Lubricating, Mineral	,,	11
Leather, Sole	,,	5
Paper, Coated	,,	721
,, Writing	,,	180
,, Unclassed	,,	365
Soda Ash	,,	51
Tobacco, Leaf	,,	15,919
,, Stalk	,,	120
Chocolate	Lb.	2,000
Cigarettes	Mille	62,870
Clocks	Pcs.	329
Oil, Lubricating, Mineral	Galls.	5,971
Dyes, Aniline Pkgs.	427 Hk Tls.	8,500
Machinery	,,	17,061

CUBA MARU, March 2.
from U. S. A.

Iron Washers	Pls.	118
Leadfoil and Tinfoil	,,	523
Gum, Resin	,,	1,907
Tobacco, Leaf	,,	5,181
Paint, Enamel	Galls.	94
Paints, Unclassed	,,	60
Cigarettes	Mille	30,000

MALAYAN PRINCE,
March 3,
To Boston.

Nutgalls	Pls.	420

To New York.

Antimony Regulus	Pls.	840
Bristles, Assorted	,,	136
Rhubarb	,,	27

SIBERIA MARU, March 9.
To Honolulu

Brassware	Pls.	5
Groundnuts in Shell	,,	23

To San Francisco.

Intestines, Pigs,' Salted	,,	6
Tallow, Vegetable	,,	907

To Chicago.

Silk, Raw, Filature: Wild, other Ports Bls. 100	Pls.	102.15

To Reading, Panama.

Silk, Raw, Steam Filature: White, Shanghai Bls. 60	Pls.	59.70
White, other Ports Bls. 10	Pls.	10.00

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 55	,,	54.72
Yellow, Shanghai Bls. 5	,,	5.20
Yellow other Ports Bls. 10	Pls.	10.06
Silk, Raw, Filature: Wild, other Ports Bls. 100	,,	101.71
Silk Pongees, Honan	,,	5.24
Intestines, Pigs' Salted.	,,	13

Weekly Cotton Market Report
By J. Spunt & Co.

China Cotton:—Prices since the issue of our last circular receded about Tls. 1.00 per picul in that business in general, owing to the political uncertainty prevailing, was restricted to very small dimensions and Mills bought only on a hand-to-mouth basis for their immediate requirements while some of the Mills are for the time being at a complete standstill.

The expectations at the moment on the part of a fair section of the speculative element are that lower rates on the local staple may be realized by reason of the pressure that may be brought to bear on holders in the interior to liquidate their stocks as the Ching Ming Festival approaches. However, the steady position in which Mid-Americans and Indians are continuing may to a certain extent modify somewhat any weakening tendency in the local market, and should a more pacific atmosphere permeate the whole situation the improvement in the yarn markets would naturally tend to infuse more strength in the value of the raw material.

Yarn:—Although the prices declined by about Tls. 3.00 since last reported the undertone is not very weak in that production is not on the increase and the interior is becoming bare of stocks while transportation facilities are not easily available. The yarn market is at this time a very sensitive one so that the least demand that may arise at any moment may cause sharp and considerable advances.

Liverpool:—

American-Middling	7.82
American-Middling last reported	7.64
Tone of the market, *Steady.*	

Indian Market:—

Fully Good Bengal, March	267
Fine Oomra, March	286
Fully Good Broach, A./M.	292
Tone of the market—*Firm.*	

New York Market:—

Price of Mid-Amer.	14.45 Spot.
	14.16 May.
	14.38 July.
	14.62 Oct.
	14.80 Dec.
	14.83 Jan.
Tone of the market:—*Steady.*	

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	31.50
Shanghai, Spot	31.00
M. Ginned Spot	31.50
Shensi, No. 1 Spot	32.00
Ningpo, Spot, Exwharf	30 80
Tone of the market—*Firm.*	

(*Continued from page 166*)

to manage southern section of Tientsin-Pukow Railway—Movement started in Canton to support Chiang Kai-shek and also urges dismissal of those who are considered detrimental to the party—Quo Tai-chi formally calls on American, British, Japanese, French and other consuls—Dr. Chu Chung-tao who has been abroad for the Nationalist Government has returned—Yamamoto and Mori of Japanese Seiyuaikai party wao have been investigating conditions in China return to Tokyo and report to party officials and to Government—Japanese dispatch warship Yokusuga with 500 marines to China to enable other gunboats to return home for repairs—Feng Yu-hsiang, who is staying at Sianfu, Shensi province has been ordered to mobilize his forces by the Kuomintang for the purpose of advancing into Honan—Chinese General Labor Unions announce a Pan-Pacific Labor Conference in Canton for May 1 to include delegates from Japan, India, Russis, America, Mexico, Korea, the Philippines, Indo-China, Canada and other countries bordering on the Pacific—*Toho* Japanese agency reports that Privy Council of Japan severely criticises Government for not adopting better measures for protection of Japanese at Nanking—Japanese light crusiers Abukuma and Tama arrive in Shanghai—Reported that Southern warship Kiangsi captured by the Fengtien fleet—Reported that Diplomatic Body has decided upon measures for defense of Legation quarter in case trouble breaks out in Peking—Feng Yu-hsiang's troops reported on march toward Paotochen and Peking-Suiyuan areas—Peking Ministry of Communications drafts regulations for use of private radio sets which must be purchased from the Ministry—*Toho* report states that Russian Labor Council has remitted 100,000 gold roubles to Shanghai for relieving distress among Chinese laborers—Gen. Tang Shen-tse's troops being moved from Hupeh into Southern Honan for purpose of preventing further advance of Fengtien troops; reported that Fengtien troops are being engaged in serious battle with Honan troops under Gen. Chin Yun-ao.

April 3—Shakai Minshuto, or Social Democratic Party of Japan sends message to Kuomintang, congratulating Chinese revolutionists and expressing that China's Nationalist movement will not be swayed by outside influences—Mr. Shigemitsu, first secretary of Japanese Legation Peking and Chin Wen-shih of the Chinese Ministry of Foreign Affairs appointed as committee to consider outstanding questions pertaining to Sino-Japanese treaty conference—Izvestia, Soviet organ published in Moscow published editorial stating that Britain is instigating the United States in respect to strong action in China but that since Japan is not cooperating with Britain that no strong action is possible—Seamen's union, Shanghai announces strike shortly—39 Japanese women and children arrive from Hangchow—Gen. Tang Shen-chi at Hankow takes strong action against communists and announces that he will stand by Chiang Kai-shek; reported that the number of unemployed in Hankow number 200,000—150 Southern soldiers board Japanese N. K. K. steamer at Shanghai but put off by Japanese naval party—Gen. Lo Wei-hsiung, under orders of Chiang Kai-shek suddenly adopts strong policy toward laborers in Hangchow and in fight at Labor Union Headquarters kills 8 and wounds 70—Central Political Committee of National Government at Hankow announces grand celebration of victories of Nationalist forces—Nationalists occupy Tsingkiangpu on North Bank of Yangtsze in Kiangsu and also repout capture of Pengpu in Anhwei province—Former President Tsao Kun announces that he will make his future home inDairen in the Japanese leased arer in Manchuria—British, American and French ministers in Peking continue negotiations regarding Nanking affair—Honan dispatch stated that Generals Tein Wei-chin and Wei I-san are beginning to grow antagonistic toward Gen. Chin Yun-ao and are handicapping him in the fight against Fengtien—Chang Hsueh-liang returns to Peking to report on Honan conditions to his father, Chang Tso-ling—Militarists commandeer property and impress people in Kaifeng causing shops to close and business paralysis-Chiang Kai-shek decides to remain in Shanghai for the present and not to proceed to Nanking as previously reported.

April 4—Negotiations in Peking now narrowed to British anp American Ministers, with British still urging use of force and according to reports the British are urging blockade of Yangtsze and South China ports—Peking dispatch states that Fengtien is winning in Honan and that Chang Tso-ling is becoming more optimistic—Eugene Chen sends delegate to Nanking to investigate anti-foreign outburst and issues statement charging responsibility to northern reactionaries and Russian white mercenaries who wore Nationalist uniforms and precipitated trouble in order to embarass the Nationalist Government—Fengtien forces evacuate Paotao and reported that Feng Yu-hsiang is advancing in that direction for the purpose of attacking Peking on the North—Pi Kue-fang appointed by Chang Tso-ling as ambassador to Russia in place of Sun Peo-chi, resigned—Nationalists at Shanghai prepare to transport the 'Great Wall' armored train formerly manned by white Russians across the Yangtsze at Nanking in order to use it against Gen. Chang Chung-chang in Shantung—Practically all British and Americans evacuate Tsinanfu—Uneasiness prevails in Chihli and Shantung owing to defeat of Fengtien at Nanking and continued advance of Nationalists—Serious anti-Japanese manifestations at Hankow cause Japanese to land marines and evacuate their 2,300 nationals—Chinese mobs denounce both British and Americans at Changsha—Japanese continue to refuse agreement with British demands for strong action in reference to Nanking incidents—*Toho* report states that Chang Tso-ling favors the Powers taking strong action against the Nationalists over Nanking outrages—Foreign garrison commanders at Peking confer on situation and make preparations for evacuation of foreigners from Northern districts owing to a fear of a repetition of the Nanking episode—All foreigners evacuate Changshan, including the Germans—Nationalist military forces take strong action against communists in Hankow—*Toho* reports that Tan Ping-shan, radical Kuomintangist accompanied by representative of Third International arrives in Changsha and is welcomed by populace—Radicals in Kiukiang agitate against Chiang Kai-shek, anti-imperialism, and advocate overthrow of Chihli-Fengtien faction—Anti-Britishism develops in Foochow following receipt of word regarding Nanking bombardment and Japanese prepare to evacuate their nationals—Gen. Li Chi-shen departs from Canton for Shanghai upon the urgent request of Chiang Kai-shek.

April 5—Japanese naval reports contain further details of Hankow incidents declaring that trouble started in dispute between Japanese sailor and rickshaw coolie which quickly spread when mobs overran Japanese concession menacing lives of 2,350 Japanese civilian residents finally causing Japanese marines to land forces and use machine guns in order to save lives of nationals and permit evacuation to gunboats in river; Chinese commander Tang Shen-tsze unable control situation appealed to Japanese Admiral to permit Chinese troops to enter Concession and restore order but Japanese refuse and at latest reports the Japanese were still holding out—Japanese dispatching additional naval craft to Hankow and also three cargo boats to evacuate nationals..British and Americans evacuating Kalgan to Tientsin while foreign women and children in Northern Chihli province going to Dairen for safety—Renewed rumors of formation of new government in Peking based upon Chang Tso-ling's alleged successes in Honan Province—Generals Li Chi-shen and Kan Nai-kuan depart from Canton for Shanghai secretly—Canton remains quiet radicals circulating propaganda attacking Chiang Kai-shek on grounds that Chiang is pro-Japanese—Radicals in Nanking planning gigantic celebration and citizens departing owing to fear of clash between laborers and soldiers—Reported that Chiang Kai-shek will go to Hangchow to investigate the clash between laborers and soldiers—Standard Oil Company at I-chang closes office and British consul and nationals as well as Americans evacuating—Plain clothes soldiers appear in Tsingtao—Nationalist Government preparing official declaration on Nanking incident—Mukden authorities decide to appoint Gen. Han Lin-tsung as military governor of Honan—Wu Pei-fu expected to proceed to Tientsin shortly—Wellington Koo's Cabinet resigns enbloc and Liang Shih-yi refuses to form new Cabinet Wang Ching-wei arrives at Shanghai and holds conferences with Chang Kai-shek and Communists trying to prevent open clash in party—Following formation of provincial government in Hupeh, Nationalists announce that central military headquarters will be removed to Nanking—Reported that Eugene Chen will go to Nanking shortly in connection with the Nanking incident.

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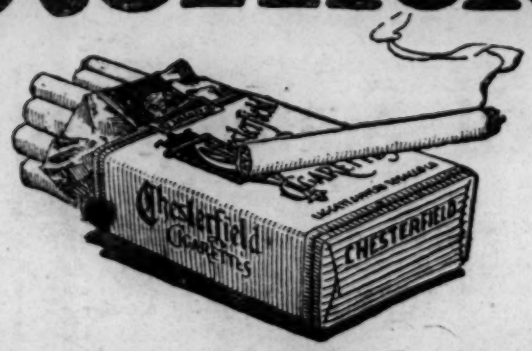

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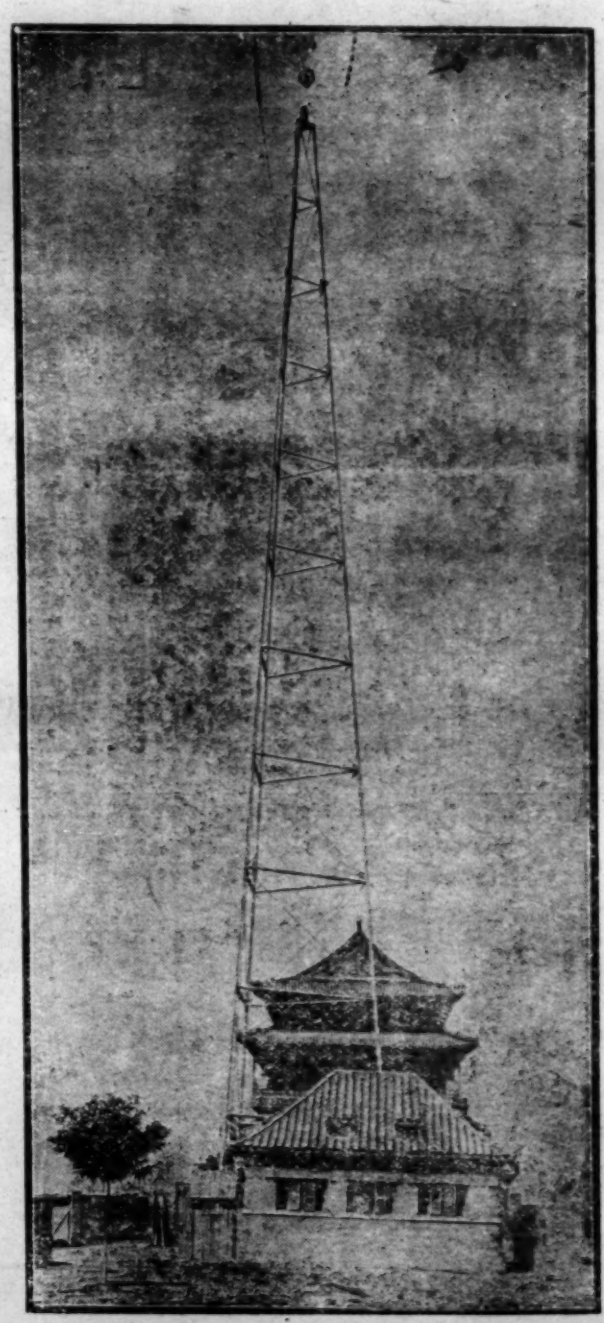

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